CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—TWENTY-FOURTH PARLIAMENT

7-8 ELIZABETH II

VOLUME I, 1959

COMPRISING THE PERIOD FROM THE FIFTEENTH DAY OF JANUARY, 1959,
TO THE NINETEENTH DAY OF FEBRUARY, 1959, INCLUSIVE

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THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

CANADA

House of Commons Debates

OFFICIAL REPORT

Speaker: The Honourable Roland Michener

Thursday, January 15, 1959

SECOND SESSION—TWENTY-FOURTH PARLIAMENT—OPENING

The parliament which had been prorogued on the sixth day of September, 1958, met this day at Ottawa for the dispatch of business.

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

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

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

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

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And the house being returned to the Commons chamber:

VACANCIES

Mr. Speaker: I have the honour to inform the house that during the recess I have received communications from members informing me that the following vacancies have occurred in the representation:

Of William V. Yacula, Esquire, member for the electoral district of Springfield, by decease.

Of Edward R. Lockyer, Esquire, member for the electoral district of Trinity, by decease.

Accordingly I have issued my warrants to the chief electoral officer to make out new writs of election for the said electoral districts, respectively.

NEW MEMBERS

Mr. Speaker: I have the honour to inform the house that during the recess the Clerk of the House has received from the chief electoral officer certificates of the election and return of the following members:

Of Mrs. Jean Casselman, for the electoral district of Grenville-Dundas.

Of Louis Fortin, Esquire, for the electoral district of Montmagny-L'Islet.

Of Joseph B. Slogan, Esquire, for the electoral district of Springfield.

Of Hon. Paul Hellyer, for the electoral district of Trinity.

NEW MEMBERS INTRODUCED

Mrs. Jean Casselman, member for the electoral district of Grenville-Dundas, introduced by Right Hon. J. G. Diefenbaker and Hon. W. Earl Rowe.

Louis Fortin, Esquire, member for the electoral district of Montmagny-L'Islet, introduced by Right Hon. J. G. Diefenbaker and Hon. Leon Balcer.

Joseph B. Slogan, Esquire, member for the electoral district of Springfield, introduced by the Right Hon. J. G. Diefenbaker and Hon. Gordon Churchill.

Hon. Paul Hellyer, member for the electoral district of Trinity, introduced by Hon. L. B. Pearson and Hon. Paul Martin.

OATHS OF OFFICE

Right Hon. J. G. Diefenbaker (Prime Minister) moved for leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

Speech from the Throne

SPEECH FROM THE THRONE

Mr. Speaker: I have the honour to inform the house that when the house did attend His Excellency the Governor General this day in the Senate chamber, His Excellency was pleased to make a speech to both houses of parliament. To prevent mistakes, I have obtained a copy, which is as follows:

Honourable Members of the Senate:

Members of the House of Commons:

I welcome you as you foregather to resume your parliamentary duties.

All Canadians look forward with the greatest pleasure to the forthcoming visit to Canada of Her Gracious Majesty the Queen and His Royal Highness, the Prince Philip, on the occasion of the official opening of the St. Lawrence seaway. It is particularly gratifying that Her Majesty also plans to visit all the provinces and the two territories in order to meet her Canadian subjects in many parts of our country.

Canada's close relations with the other countries of the commonwealth, and the sense of community of interest within this association of free nations itself, have been confirmed and vitalized by the recent visit of my Prime Minister to the commonwealth capitals of the United Kingdom, Pakistan, India, Ceylon, Malaya, Singapore, Australia and New Zealand. These consultations between heads of government provided an opportunity for an exchange of views on international questions, on the possibilities for expanding trade and on other problems of mutual concern.

Canadians recognize that the most pressing need of all nations is an enduring peace. My government will continue to work steadfastly and in a spirit of genuine co-operation towards the settlement of outstanding issues which threaten that peace.

My ministers are concerned over recent developments in the Berlin situation. They deplore the attempt by the Soviet union to abrogate unilaterally the interallied agreements relating to Berlin, and they believe that the freedom of West Berlin must be assured pending agreement on the establishment of a united and free Germany.

My ministers have been pleased to note that some advance has been made during the past year in the vital field of disarmament. The drafting of an agreement for the discontinuance of nuclear weapons tests is a hopeful beginning.

It is Canada's desire that the scientific achievements which now have made possible the penetration of outer space should be a blessing to all mankind. My government is convinced that international agreement must be reached without delay to ensure that outer space is used only for peaceful purposes with full co-operation among all nations.

In concert with its allies in the North Atlantic Treaty Organization, Canada has reaffirmed its determination to maintain and improve the power of the alliance as a deterrent against aggression. You will be asked to provide for maintaining the effective power of Canada's defence forces. The importance of the alliance was re-emphasized by the visit of my Prime Minister to the United Kingdom, France, West Germany and Italy. His consultations with the heads of government in those countries included trade and economic policies, as well as the more general questions confronting the alliance.

Discussions are taking place with the government of the United States to enable Canadian industry to share in the production of equipment being procured by the United States for joint defence purposes.

My ministers continue to recognize the necessity of providing economic assistance to underdeveloped nations. Approval will be sought for the appropriations needed for this purpose, so that Canada may play its full part in helping the emerging states of Asia and Africa, particularly those in the commonwealth.

My ministers expect that the increases which have been proposed in the resources of the international bank and the international monetary fund will be approved by the votes of the member countries and when that has occurred you will be asked to approve the necessary legislation to implement these important measures for improving the facilities for financing world trade and economic development.

In response to suggestions put forward by my government, a commonwealth trade and economic conference was held in Montreal last September. This meeting, one of the most important in the history of the commonwealth, was attended by ministers representing the self-governing nations of the commonwealth and the countries now looking forward to obtaining full sovereignty. A large measure of agreement was reached on trade and economic matters. This has led to far-reaching decisions on the part of the United Kingdom and other countries to restore convertibility of their currencies and to remove restrictions on imports.

My government has taken action to reduce unemployment by expediting national works programs, by programs undertaken in co-operation with the provinces, and by encouraging Canadians generally to undertake constructive activities particularly in the winter season. You will be asked to assist the municipalities of Canada in the financing of work on construction projects which would not otherwise have been undertaken during the winter months.

Certain amendments to the Unemployment Insurance Act will be submitted to you.

My government welcomes the evidence of recovery from the recession and will continue to foster and assist this improvement. They believe that as recovery proceeds there will be increasing need for care to preserve the stability and purchasing power of our currency.

My government will continue in its economic policies to lay emphasis upon national development. My ministers believe that by the wise use of the resources with which nature has endowed this country, Canadians can achieve a continually rising standard of living. My government will therefore foster and encourage the proper development and use of these resources and the growth of efficient industry based upon them. Many projects for national development have already been put in hand; you will be asked to vote the supply necessary to continue these projects and to initiate others.

Additional legislation in the field of agriculture will be recommended. A measure will be laid before you to institute a system of crop insurance in co-operation with such provinces as so desire. You will also be invited to make a comprehensive review and revision of the legislation concerning farm credit, in order that credit may be more effective in assisting in the development and maintenance of an efficient and prosperous agriculture.

You will be asked to enact a bill of rights which will make manifest the intent that fundamental rights and freedoms shall prevail and remain inviolate in all matters within the competence of parliament.

At the earliest opportunity you will be invited to authorize the establishment of a national energy

board to ensure, so far as it lies within the jurisdiction of parliament, that Canada's energy resources are used effectively and prudently to the best advantage of Canadians.

My ministers have been gratified to see the all-time record in house construction which has been made possible by government loans under the National Housing Act. They will recommend to you further amendments to that act to continue this program and to encourage the flow of private funds into mortgages.

For the purpose of increasing the range and effectiveness of the guarantees provided for financing exports, you will be asked to make certain amendments to the Export Credits Insurance Act.

My government will place before you certain amendments to the laws respecting trade practices.

You will be asked to consider a bill containing numerous amendments to the Canada Shipping Act.

My government will request your approval of its participation in a contributory plan to provide medical benefits for civil servants pursuant to recommendations of the national joint council of the public service.

A comprehensive review of the provisions of the Veterans' Land Act will be proposed and amendments to ensure that veteran farmers also can take greater advantage of modern agricultural practices. Amendments to the Veterans Rehabilitation Act and the War Service Grants Act will also be recommended.

My government will recommend an amendment to the Federal-Provincial Tax-Sharing Arrangements Act to extend for another year the increase made last year in the provincial share of personal income tax revenue.

My government proposes that the entire subject of financial relations between the dominion and the provinces shall receive continued active co-operative study. All provincial governments are being asked to agree to the use, for this purpose, of the machinery of the existing federal-provincial continuing committee on fiscal and economic matters working under the direction of a committee consisting of the Minister of Finance and all provincial treasurers.

My ministers will recommend to you action to alleviate the discriminatory effects of the recent horizontal increase in freight rates.

Recommendations for a number of changes in the Criminal Code will be placed before you including some to strengthen the provisions respecting obscene literature.

My ministers will propose to you measures to revise the Royal Canadian Mounted Police Act and to revise and consolidate the relevant pension provisions.

You will be asked to approve a statute to authorize the appointment of parliamentary secretaries to ministers of the crown.

My government will put forward a resolution to establish a joint committee of both houses to review the Indian Act and the administration of Indian affairs.

A recommendation will be placed before you for a statute to continue on a permanent basis the supplementary pensions for retired civil servants, members of the armed services and of the Royal Canadian Mounted Police that were provided on an interim basis by an appropriation last year.

My ministers will recommend an increase in the total funds that may be expended under the Trans-Canada Highway Act.

You will be asked to revise the Seeds Act, to approve and implement by statute an agreement with the province of New Brunswick concerning Indian lands, and to extend the Fisheries Improvement Loans Act for a further three years.

You will also be asked to amend the Northwest Territories Act, the Public Lands Grants Act, the National Defence Act, the Defence Services Pension Act, the Broadcasting Act, the Public Servants Inventions Act and certain other statutes.

Members of the House of Commons:

You will be invited to establish a special committee of the house to review broadcasting policy and operations.

It will be proposed that the standing committee on privileges and elections review the elections act in preparation for subsequent legislation.

It will also be proposed that the question of ensuring the use of humane methods in the slaughtering of animals be referred to the standing committee on agriculture for consideration.

You will be asked to appropriate the sums required for carrying on the government of Canada during the next fiscal year.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence bless you and guide you in your duties.

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

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

Motion agreed to.

TRIBUTES TO DECEASED MEMBERS

THE LATE WILLIAM V. YACULA—THE LATE EDWARD R. LOCKYER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, it seems that every succeeding session of parliament hon. members realize something of the shortness and uncertainty of life by reason of the fact that our ranks are thinned by death. Since prorogation two of our members have passed away, and it is of them that I wish to speak today.

First, in regard to the former hon. member for Springfield, William Val Yacula; some 50 years ago he was born in the Ukraine. He migrated to Canada, and in the short few years that were accorded to him he made his contribution to the building of our country. Indeed, he is one of a race which is making its contribution along with other races to the building of that unity which all of us desire. He received his early education in the primary schools of Manitoba, later attending the University of Manitoba, and his career extended from school teaching to business. In later years he served as a school trustee and with various other public institutions.

A kindly man, he enjoyed the affection and respect of all who knew him. He was in the house for only a short time, yet by reason of his breadth of vision, his knowledge of Canadian conditions—particularly those concerning the western provinces—and his desire to co-operate with other members, those of us who knew him were given to

realize that in the years ahead he would have made a larger contribution to the affairs of our country. I know hon. members would wish to join with me in expressing sincere sympathy to Mrs. Yacula and the other members of the family, coupled with the hope that his record of service, the affection that he was able to engender and the realization that she and they have the affection of those who knew him will contribute to bringing comfort to her and to the family in their hours of sadness.

One other hon. member passed away during the interim. I refer to Edward R. Lockyer, the former hon. member for Trinity. While a businessman throughout his life, he belonged to that company who believe that it is necessary for those in business to interest themselves in the public service and make their contribution. He was a member of the Toronto board of education in 1957, and in 1958 he served as a member of the city of Toronto planning board. A socially minded person, he belonged to various clubs and fraternities and as a public minded citizen he at all times contributed freely to those objectives which constitute the warp and woof of civic public service.

He was here but a short time, and like Mr. Yacula made a contribution that boded well for the future. He engraved his personality upon the memories of those who had the honour to know him. His loss, too, is the loss of all of us in this chamber. I simply rise to express the sincere sympathy of the members of this house to the widow and surviving members of his family. To the public service these two men gave of their best. Their memories will not be forgotten.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, it is a melancholy and all too customary circumstance, as the Prime Minister (Mr. Diefenbaker) has stated, that we are called upon to interrupt the historic, impressive and indeed happy ceremonies of the opening of parliament by the tributes which we pay on this occasion to former colleagues who are no longer with us.

The Prime Minister has pointed out that Mr. Yacula was born in the Ukraine and as such was a representative of that racial stock and ancient nationality which has added so much colour and strength to the fabric of Canadian national life. He did not, as the Prime Minister has also stated, have the time to make the mark in this house that he had made in his own community, but we in this party join the Prime Minister and the members of his party in the tribute of sympathy and respect that he has paid to his memory.

Likewise we join in the tribute that has been paid to Mr. Edward Russell Lockyer, who was the member at his death for Trinity (Toronto), but who was born on Manitoulin island in the constituency which I have the honour to represent in this house. He was a man who had achieved business success and who put at the disposal of his country during world war II his business ability and business experience. I know if he had been spared to work and serve with us he also would have made his mark in the national service of his country.

So the members of our party join with the Prime Minister and other hon. members of the house in this tribute of respect and sympathy to the members of the families of these former members.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, on behalf of the members of the C.C.F. group I wish to associate myself with the remarks of the Prime Minister (Mr. Diefenbaker) and the Leader of the Opposition (Mr. Pearson) in expressing our great regret at the passing of two former members of this house who although they had been here but a short time had already begun to make a noteworthy contribution to our proceedings.

I should like to express to Mrs. Yacula and her daughter our sincere sympathy, and say to them that we have esteem for the late Mr. Yacula. Born in the Ukraine, coming to Canada, fitting his life with the life of his neighbours, he came to the House of Commons to represent every citizen in his riding and to play his part as a member of the Canadian House of Commons. He established himself here as a really true Canadian.

I also wish to associate the members of this group with the tribute to the late Mr. Lockyer, the former hon. member for Trinity. This man in his private life undertook many works of a charitable nature that showed he had great concern for the underprivileged and handicapped of this nation. In service work in many organizations and in the educational field he played his part, helping to make life happier for those who were underprivileged or who sought to gain an education. On behalf of this group I express to Mrs. Lockyer and to her daughter our deepest sympathy at this great loss.

INTERNAL ECONOMY COMMISSION

Right Hon. J. G. Diefenbaker (Prime Minister) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an order in council appointing the Hon. Donald Methuen Fleming, Minister of Finance, the Hon. Leon Balcer, Solicitor General, the Hon. George Clyde Nowlan, Minister of National Revenue, and the Hon. Ellen Louks Fairclough, Minister of Citizenship and Immigration, to act with the Speaker of the House

of Commons as commissioners for the purposes and under the provisions of chapter 143 of the Revised Statutes of Canada, 1952, intituled: An Act respecting the House of Commons.

STANDING COMMITTEES

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

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

Motion agreed to.

HOUSE OF COMMONS

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in the last session the deputy chairman of committees of the whole house was the hon. member for the electoral district of Spadina (Mr. Rea). I believe it is agreed that he performed his duties well and fairly. On that basis I move:

That Charles Rea, Esquire, member for the electoral district of Spadina, be appointed deputy chairman of committees of the whole house.

Motion agreed to.

BUSINESS OF THE HOUSE

AFTERNOON SITTING ON FRIDAY, JANUARY 16

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, under ordinary circumstances the motion we made that the Governor General's speech be discussed at the next sitting of the house would mean that we would commence tomorrow morning at 11 a.m. In view of the fact that tomorrow we do not intend to go further than to have the mover and the seconder make their speeches, I ask the consent of the house to move, seconded by the hon. member for Vancouver Quadra (Mr. Green):

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

Mr. Pearson: Mr. Speaker, this procedure is quite agreeable to us.

Motion agreed to.

PHOTOGRAPH TO BE TAKEN OF HOUSE IN SESSION

Mr. Speaker: Before I leave the chair may I ask the house for leave to have a photograph taken of the house in session tomorrow, Friday, immediately after the opening. This picture will be taken by the national film board photographers without special lights or any interruption of our proceedings. It will be available for public and private distribution. There is no photograph of this parliament, and I hope hon. members will be happy to agree to this procedure.

Some hon. Members: Agreed.

On motion of Mr. Diefenbaker the house adjourned at 4.35 p.m.

HOUSE OF COMMONS

Friday, January 16, 1959

The house met at 2.30 p.m.

ROYAL VISIT

ANNOUNCEMENT OF TOUR OF CANADA BY HER MAJESTY AND PRINCE PHILIP

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I desire to make a statement concerning plans for the visit this coming summer of Her Majesty the Queen and His Royal Highness the Duke of Edinburgh. Since parliament last met plans have been progressing for a tour which will take Her Majesty to all ten provinces of Canada as well as to the Northwest Territories and the Yukon. It has already been announced that Her Majesty and His Royal Highness will arrive at Torbay airport near St. John's, Newfoundland, on June 18, and that they will be here in Ottawa to celebrate our national birthday on July 1.

Next week a more complete outline of the Queen's itinerary will be made public. Suffice it to say at this time that there were certain principles that guided those in charge of the tour in making their plans. One of these is that elaborate state functions be kept to a minimum. It is hoped that Her Majesty and the Prince Philip will be able to see something more of Canada's newer industries, some of the mining areas and some of the parts of this country that are coming into prominence as national development and expansion plans mature. Visits to some of the outlying areas of the country will form a prominent part of the program.

The Queen of Canada will be in her Canadian realm for some six weeks, but, of course, the vast areas of Canada will make it impossible for her to visit as many places as she would like. However, there will be other visits in the future. The facilities of air transport will make it possible then for Her Majesty to see other parts of the country which cannot be included in this tour because of the limitations of time as well as transportation facilities. She will travel some 15,000 miles. The royal yacht *Britannia* will carry the royal party through the great lakes system, during the course of which Her Majesty will participate in the ceremonies marking the opening of the St. Lawrence seaway.

Next week, when the complete itinerary is available, it will be presented to the house so that hon. members generally will know the nature and scope of the journey she will take, as well as why particular areas are included on this occasion which did not, in the past form part of any of the royal tours.

Hon. L. B. Pearson (Leader of the Opposition): I am sure, Mr. Speaker, all members of the house will have heard with the greatest possible pleasure, as indeed the country will hear, the announcement the Prime Minister has just made regarding the visit of Her Majesty and the Duke of Edinburgh to our country. We will look forward to receiving the details of that visit in due course.

It goes without saying, Mr. Speaker, that Her Majesty and Her Majesty's consort will receive the warmest possible welcome in this country, especially in those outlying districts which she will now visit and which it had not been possible for members of the royal family to visit in the past. I note the Prime Minister's hope, and the intention of those who are responsible for the visit, to keep formal affairs to the irreducible minimum. This has been a hope and an ideal which has been expressed before every royal visit that has been made to Canada, and I hope perhaps on this occasion there will be more success in realizing it than has been the case in the past.

Mr. Hazen Argue (Assiniboia): On behalf of the C.C.F., Mr. Speaker, I wish to associate myself with the announcement that has been made and the remarks of the Leader of the Opposition, by saying we are exceedingly pleased that Her Majesty and His Royal Highness Prince Philip will be visiting our country this summer and will be present at the ceremonies opening the St. Lawrence seaway. We know that Canadians from coast to coast will welcome this announcement. We are pleased that, so far as may be possible, Her Majesty's subjects will be given every opportunity to participate in the celebrations that are contemplated. We hope that the health and convenience of Her Majesty may be kept in mind so that the functions will not be too tiring for her.

We are pleased that she is coming to Canada once again; and while no one in the House of Commons can set the date for prorogation of this session, I would express the

hope that it might be possible for the Queen to prorogue this session of the House of Commons.

Hon. Lionel Chevrier (Laurier): May I be permitted to ask the Prime Minister a question arising out of the statement he has just made. Has the Prime Minister or the committee appointed for the royal visit yet decided where the official opening of the St. Lawrence seaway will take place?

Mr. Diefenbaker: I think the hon. member's question will receive an answer when the committee reports next week and the itinerary is brought before the house.

PUBLIC SERVICE

TABLING OF REPORT OF CIVIL SERVICE COMMISSION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to table two copies in English of the report of the civil service commission of Canada entitled "Personnel Administration of the Public Service". You will recall that Mr. St. Laurent, the former prime minister, suggested that there be this investigation. Mr. Arnold Heeney as chairman of the commission and Miss R. E. Addison and Mr. Paul Pelletier as members undertook a study of the many complex problems in connection with civil service administration. They were also directed to make such recommendations as they deemed fit so that the legislation, which has to all intents and purposes been in effect since 1919 when introduced by Sir Robert Borden, could be brought up to date, removing anomalous sections, if there be such. In general they were asked to make such recommendations as would generally be beneficial in assuring and maintaining the capacity and ability to serve of the civil service. Whatever may be the views with regard to the recommendations made, I am sure that everyone in the house will want to pay tribute to the commission for the work it has done and for the long hours and the devoted attention given by the members of this commission to this very intricate subject.

I am also tabling two copies in mimeographed form of the French translation of the report. This French translation, however, does not contain the appendices shown in the printed copy in English. The printed copies in French containing the report and the appendices will be available from the queen's printer in about two weeks' time and will then be placed before the house. In view of the interest in this subject, however, I thought it well that the recommendations be made available to hon. members of this house. The appendices are merely an amplification in general of the principles and recommendations enunciated in the report. I should like to mention that copies of the report will be placed in the members' mail this afternoon.

FINANCE

"CANADIAN ECONOMIC OUTLOOK FOR 1958"—REQUEST FOR TABLING

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister when he proposes to table, as promised, the report entitled "Canadian Economic Outlook for 1958"?

Right Hon. J. G. Diefenbaker (Prime Minister): I seem to recall, Mr. Speaker, that an application or a motion was made by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) at the last session, and through his actions this matter was relegated to a position that denied further discussion. At that time I undertook to make the report available. I find that there is now a motion on the order paper. When that motion comes before the house I hope the consideration asked for will receive the approval of the house.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I did not wish to interrupt the Prime Minister, but I rise on a question of privilege. The Prime Minister said that action of mine had prevented consideration. I put on the order paper a motion that was not debatable and I took the only course possible to make it debatable.

[*Later:*]

Mr. Diefenbaker: A moment ago the Leader of the Opposition asked me a question respecting the "Canadian Economic Outlook for 1958". I find, sir, that the motions are not far enough in hand to enable my hon. friends to have that economic report for this debate.

I undertook on June 18, 1958 that it would be produced immediately after the year end, and again on August 5, that the report would be produced immediately after the end of the year. The Minister of Trade and Commerce (Mr. Churchill) has given instructions that it be tabled today.

EXTERNAL AFFAIRS

CUBA—REQUEST FOR STATEMENT ON REPORTED EXECUTIONS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to ask the Prime Minister whether he is prepared to make any statement or comment on disturbing reports of a

continuing number of executions in Cuba, and whether in view of Canada's recognition of this government an appropriate Canadian note in this connection is being considered.

Mr. Speaker: Order. The question as I understand it relates entirely to executions in Cuba, which I am sure the hon. member for Assiniboia would not consider to be the responsibility of the minister. Questions should be directed to the public administration under the responsibility of the minister concerned.

Mr. Argue: On a point of order, Mr. Speaker, I would suggest with great deference that since our Department of External Affairs considers Canada's relationships with all nations, when any action in any nation might endanger the cause of freedom as we understand it, I feel it is appropriate for the Canadian Prime Minister to make a statement on behalf of the Canadian government; and I must put forward this precedent, that the Prime Minister in an agreeable fashion during the course of the last session made his opinion and our opinion known about action in regard to Imre Nagy in another country. Therefore I feel that in the field of external affairs this is an appropriate matter for comment, and I might add that in today's newspapers a very high official of the United States state department has made a comment on this matter.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I realize the feelings that must be engendered in the hearts of peoples everywhere, but I will go no further than to say this. The government is following very closely the events in Cuba as the picture emerges from the various reports, some confused and others capable of a variety of interpretations. In considering the situation the government will have in mind the same deep concern for the respect of civil liberties and democratic ways that it has demonstrated in the past.

CANADA-U.S.—REQUEST FOR STATEMENT ON MEETING OF MINISTERS

On the orders of the day:

Mr. W. L. Houck (Niagara Falls): I wish to direct a question to the Minister of Finance. Is it the intention of the Minister of Finance to make a statement to the house on the results of the meeting of the ministers of the Canadian and United States governments?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I shall be glad to do that at any time if it is the wish of the house. As my hon. friend is aware, a communique was issued at the completion of the meeting a week ago last Tuesday. I shall be glad to table that if it is the wish of my hon. friend and the house.

(Translation):

CANADIAN BROADCASTING CORPORATION

MONTREAL—SUGGESTED INTERVENTION OF MINISTER IN LABOUR DISPUTE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to ask the hon. Minister of Labour a question. What action has he taken, either on his own or through his department, to settle the current dispute between radio and television producers in Montreal and the C.B.C.?

(Text):

Hon. Michael Starr (Minister of Labour): Mr. Speaker, since I was not prepared with my device for translation and since I did not know the hon. member for Laurier would ask me a question in French, I am going to take his question as notice and give an answer tomorrow.

(Translation):

Mr. Chevrier: Mr. Speaker, now that we have simultaneous translation in the house, and since the hon. minister is listening in at this moment may I be allowed to repeat my question?

Mr. Denis: Ask the hon. minister if he is ready.

Mr. Chevrier: If the hon. minister is ready, here is my question. What action has he taken, on his own account or through his department, to settle the current dispute between the radio and television producers in Montreal and the C.B.C.?

(Text):

Mr. Starr: Mr. Speaker, in answer to the hon. member's question I wish to state that I was requested by representatives of the producers to intervene in the dispute after this group of producers had gone out on strike in supporting their demands. On January 8 I received a request by telegram signed by Mr. Fernand Quirion, president of the producers association of Montreal, and by Mr. Jean Marchand, general secretary of the Canadian and Catholic Confederation of Labour, stating that the C.B.C. had refused to recognize the producers association or to sign an agreement with it dealing with working conditions of producers, stating that the corporation had refused to bargain officially with the association and requesting my immediate intervention in this dispute.

Inquiries of the Ministry

On January 9 I wired in reply pointing out that there is a provision and a specific procedure established under the Industrial Relations and Disputes Investigation Act whereby disputes relating to representation and bargaining rights may be disposed of by application to the Canada labour relations board. I pointed out in this telegram that it has not been customary nor is it contemplated by the act that the Minister of Labour should intervene in representational disputes in view of the provisions of the act.

I received a further wire from Mr. Marchand regretting my unwillingness to intervene in this dispute and suggesting that my refusal to intervene was tantamount to supporting the position of the C.B.C., and again urging my intervention. I wired Mr. Marchand in reply under date of January 12 as follows:

Reference your telegram January tenth the Department of Labour has taken no position nor given any advice to either the C.B.C. or the producers as to the status of the producers as employees under the act as this is a matter which in event of dispute can only be determined by reference to the Canada labour relations board. The department has however advised the producers and those interested on their behalf that the Industrial Relations and Disputes Investigation Act provides a specific procedure whereby a union claiming to represent a majority of employees for collective bargaining purposes may make application to the Canada labour relations board to establish the appropriateness of the bargaining unit and its authority to bargain for employees in such unit. The decision of the board is final. You are fully aware of the provisions of the act and I would assume that you have advised accordingly. I am always prepared to intervene in a dispute where I can be of service to the parties to assist in settlement but I am not in a position to intervene in representation disputes to resolve representation rights for collective bargaining purposes under the act.

I believe, Mr. Speaker, this reply fully explains the status and gives the reasons why it would not be proper for me to intervene in this dispute. There is very little I can add at this time, except to say that the producers association and the producers have resorted to strike action to resolve a dispute on employee status and bargaining rights in place of taking action to resolve these issues in the manner provided for in the act, namely by application and reference to the Canada labour relations board. In other words, these parties are seeking to short-cut or ignore the provisions of the legislation designed for the final disposition of disputes dealing with representation.

(Translation):

Mr. Chevrier: Mr. Speaker, I thank the hon. minister for the answer he just gave me. I listened carefully to what he had to say, particularly when he quoted the telegram to which he had referred earlier.

[Mr. Starr.]

Of course, I am not entitled to make any comments; however I would like to ask the minister a supplementary question.

In view of the answer he just gave me, why did he not take action under section 56 of the Industrial Relations and Disputes Investigation Act which authorizes him to do so on his own account, or on the request of the union, in order to settle this industrial dispute?

(Text):

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, may I be allowed to say that I have listened to the translations passing back and forth as a result of the introduction of this simultaneous translation system, and I must say it is operating exceptionally well. I did not rise to say that but I thought I should say it, in view of the fact that this is the first opportunity I have had to listen to the translation. The degree to which the translation follows the uttered word is really remarkable.

Mr. Starr: Mr. Speaker, in answer to the supplementary question asked by the hon. member for Laurier (Mr. Chevrier), may I point out that section 56 of the Industrial Relations and Disputes Investigation Act provides for the appointment of a commissioner of inquiry into labour disputes and that means, sir, where there is a dispute between the employees and the employer on the basis of a collective agreement which deals with wages and other similar matters, upon which a decision has not been arrived at. This is not a dispute of that kind at all. It is a matter of representation that is in dispute. There is no working agreement. All those producers have been on individual contracts to the Canadian Broadcasting Corporation.

(Translation):

[*Later:*]

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the hon. Minister of National Revenue, Mr. Nowlan, who is responsible to the house for the C.B.C.

Has the minister authorized the recall to work of C.B.C. producers and other employees, over the network of the corporation, at the very moment when the parties concerned were still negotiating in the C.B.C. building in Montreal?

(Text):

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the minister has taken no action whatsoever with respect to this strike. It is a matter of administration. All the negotiations are in the hands of the responsible officers of the corporation and the executive committee of the board of

directors. I might say that, as the house well knows from the press, negotiations have been going on yesterday and today with some prospect of success.

As the Minister of Labour pointed out, this is a strike which is extremely hard to deal with because it is entirely illegal. There is nothing one can very well do about it. I think the corporation officers deserve a tremendous amount of credit—I refer to the president and the vice president—for having worked for two or three weeks, largely without sleep for the first ten days, in trying to bring the parties together on some reasonable basis. However, rationality apparently is one thing that has been somewhat lacking in the situation. I am hopeful that the negotiations now going on will be successful when they are concluded. I will certainly be bringing a full statement to the house. I think nothing more should be said at the moment.

(Translation):

Mr. Chevrier: Mr. Speaker, I should like to thank the minister for his little speech, but that was not my question. I was simply asking whether the minister had, in the circumstances just mentioned, authorized the recall to work of the producers, while at that time the parties concerned were still negotiating.

(Text):

Mr. Nowlan: All I can say is that if I did not give the right answer, the hon. member is talking too fast for the little instruments we have in our hands. Perhaps he should learn to speak more slowly, as should I. As I said before, the minister has given no instructions and has done nothing in connection with this matter except to get occasional reports from the president as to the conduct of negotiations.

NATIONAL DEFENCE

REPORTED STATEMENT OF AIR MARSHAL SLEMON AT COLORADO SPRINGS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish the pleasure of directing a question to the Prime Minister. Before doing so, I wish to say that I am glad his translation device is working well. Mine is not working at all, because I have not one.

In view of Air Marshal Slemon's statement at Colorado Springs last November concerning defence force requirements, with respect to manned interceptors, being considered in some quarters as a challenge to government policy on the CF-105 Arrow, will the Prime Minister inform the house whether he considers it fit and proper for defence chiefs to make public statements concerning defence requirements, particularly, in view of the controversy surrounding the decision with respect to the CF-105?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in so far as the preliminary words of the hon. gentleman's question are concerned they, I suggest, do not come within the ambit of the kind of questions to be dealt with on the orders of the day.

Without in any way anticipating any views on an examination of any statements allegedly made, I would say that in my opinion it is not fit and proper for defence chiefs to make public statements concerning policy.

TRADE

REQUEST FOR TABLING OF NOTES RESPECTING CHANGES IN CUSTOMS ACT

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I have a matter that I proposed raising as a question of privilege but perhaps, in view of the fact that this is the first regular sitting of the session and of the apparent good humour of the house, I can raise the matter by way of a question to the minister of external affairs.

Will the minister of external affairs table the note from the United States government to Canada of June 26 last, concerning the proposed amendment of the Customs Act, the further note from the United States dated September 3 last concerning the amendment of the Customs Act, which was then before the house and under discussion, and the Canadian government's reply of October 24, and any other notes that may have been exchanged between the two governments on that subject?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, subject to the usual practice relating to diplomatic exchanges, namely the consent of the two or more parties, I shall do that.

COAL

NOVA SCOTIA—REPORTED CLOSING OF COLLIERIES

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to address a question to the Minister of Mines and Technical Surveys. My question is based on a news dispatch in today's Montreal *Gazette* announcing the intended closing on February 1 of five collieries affecting 4,000 men in the Glace Bay and Waterford areas of Nova Scotia. What steps does the minister propose to take to avert this mass unemployment in a region that is at the present moment experiencing grave and serious unemployment?

(Translation):

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, like the hon. member for Laurier (Mr. Chevrier) I too shall speak in my mother tongue. I am sure the hon. member for Gloucester (Mr. Robichaud) will not have to use his earphone for I know he speaks French very well. I did not receive any notice from the Dosco company with regard to a cut down in production or a staff reduction. I saw this article in a paper—the *Gazette*—this morning, and this was the first news I had of it, through the press. However, we shall look into the matter and as soon as I have been officially informed by the company that there has been a reduction of staff and production, or of its plans in the matter, I shall notify my colleagues and we shall make a decision about it.

Mr. Robichaud: Mr. Speaker, were representations made to the minister, either directly or through the officials of the local union of the United Mine Workers of America, in protest against this decreased production?

Mr. Comtois: Mr. Speaker, certain representations along that line, and on other matters, were indeed made to us by the Dosco company. Their representatives came and met with us some time ago. They did make representations, and I must add that the matter is now under consideration and that we propose to come to a decision with regard to this in the near future.

(Text):

NATIONAL CAPITAL PLAN

INQUIRY AS TO APPOINTMENT OF MEMBERS OF COMMISSION

On the orders of the day:

Mr. J. O. Gour (Russell): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the action taken at the last session of parliament setting up a national capital commission, is it the intention of the government to act soon in the matter of appointing the members of the new capital commission?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I can assure my hon. friend that it is, and that within two or three days events may take place which will give some explanation as to why the appointments have not been made. The appointments will be made within the next week.

CANADIAN PACIFIC STEAMSHIPS

BRITISH COLUMBIA—INQUIRY AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Mr. Frank Howard (Skeena): I have a question I should like to pose to the Minister of Labour. I sent him notice of it, and I hope the notification reached him in sufficient time. Can the minister indicate to the house what have been the results of the negotiations between Canadian Pacific Steamships, British Columbia coast service, and the unions affected by the British Columbia Coast Steamship Service Act of 1958? If no agreement has been reached between the parties, what action is contemplated by the government?

Hon. Michael Starr (Minister of Labour): I wish to thank the hon. member for giving me notice of his intention to ask this question. As most hon. members are aware, legislation was passed by parliament during the last session which provided for resumption of the services of the British Columbia coastal steamship lines.

An administrator was appointed under the act to administer the operation of this line. Following that a commission of inquiry was appointed which brought the parties together in a number of meetings. The result was that the items of disagreement were narrowed down considerably. The points remaining at issue involve rates of pay including overtime, the term of the new agreement and the employees' welfare plan.

In the interim period we have endeavoured to bring both parties together by conferring with the seafarers international union and the Canadian Pacific Railway individually. As a result of this the parties met as recently as last Friday in Montreal, and the result of this meeting is now being studied to ascertain what further steps can be taken to bring the parties together and effect a satisfactory solution to the problem.

Mr. Howard: Is Mr. Taylor of Toronto still the industrial inquiry commissioner, and will he be acting in that capacity until negotiations are completed?

Mr. Starr: His services may be requisitioned again.

(Translation):

BRIDGES

MONTREAL—INQUIRY AS TO THE CLOSING OF TRAFFIC LANES DURING ALTERATIONS

Mr. Gerard Loiselle (St. Ann): Mr. Speaker, I should like to ask the hon. Minister of Transport (Mr. Hees) a question about Victoria bridge, which is partly in my constituency.

Is it true that the Canadian National is planning to close up the upstream car lane of that bridge for at least four months and the other and downstream vehicular traffic lanes for a period of twelve months? If so, does the minister intend to lodge a protest with the Canadian National against the disastrous delays which would ensue for those who will have to travel between the southern bank and Montreal?

(Text):

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I will get in touch with the management of Canadian National Railways. I am not aware of the matter the hon. member has raised. I have not heard about it. I will ask them to report as soon as possible.

(Translation):

Mr. Loiselle: Mr. Speaker, may I ask a supplementary question? Has not the hon. minister seen press reports stating that there has been talk, in the last few days, of closing up the two vehicular lanes on Victoria bridge?

(Text):

Mr. Speaker: Order. It hardly seems to be a matter of urgent public importance to inquire what the minister has read in the newspapers, particularly as he has taken the original question as notice.

NORTHERN AFFAIRS AND NATIONAL RESOURCES

REPORTED REDUCTION IN DEPARTMENTAL ESTIMATES

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): I should like to direct a question to the Minister of Northern Affairs and National Resources. Can the minister tell the house whether there is any truth in the report in yesterday's Ottawa *Citizen* that the estimates of his department for 1959 have been cut by an amount of $25 million?

Mr. Speaker: Order. It seems to me that that hon. member's question relates to the estimates, and it is a well known principle that such inquiries cannot be made in anticipation of the production of the estimates.

CANADA CAR

REPORTED CLOSING OF FORT WILLIAM PLANT

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Prime Minister on a matter of great concern to my constituency and the lakehead area. Has the Prime Minister any word on the closing of the Canada Car plant in Fort William? Is the government contemplating any action to keep the plant open?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, in reply to that question may I say that discussions have been taking place, but as yet we have no report to make.

OLD AGE SECURITY

INQUIRY AS TO REPORT BY DR. ROBERT CLARK

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to address a question to the Prime Minister. This is the first opportunity I have had to address him since he came back, and I am glad to see him looking so well. My question is, in view of the indication given by the Prime Minister on August 21 last that Dr. Clark's study of social security would be available last fall, I think in October, has the government received a report and recommendations from Dr. Clark and, if so, whether the government is prepared to make them available to the house.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, first I do want to thank my hon. friend for giving me a certification of good health from a medical man. In reply to his question, may I say that on a number of occasions in the last few months the minister concerned and myself have been in touch with Dr. Clark who has been preparing a report. In the latter part of last session he felt that it would be available around the middle or latter part of October. Since that time it has become impossible, by reason of personal family matters, for him to complete it. It is a rather lengthy document. He has about three-fifths of it completed and the balance, which will mean the tabling of the report, should be expected by February 9.

DOMINION-PROVINCIAL RELATIONS

NEWFOUNDLAND—INQUIRY AS TO REVISION OF FINANCIAL TERMS OF UNION

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): I should like to direct a question to the Prime Minister. Has the Prime Minister set any date for a meeting with the premier of Newfoundland in connection with the revision of the financial terms of union? If so, could he inform the house when the meeting will take place.

Right Hon. J. G. Diefenbaker (Prime Minister): There has been certain correspondence between the premier and myself. At the beginning of the week I sent a telegram to the premier, after receipt of a telegram from him proposing a meeting with the federal

authorities to discuss the subject. I suggested a meeting in Ottawa on Monday, January 26. I have not yet received word whether that date is satisfactory to him.

(Translation):

CONTROL OF MINING RIGHTS BY THE FEDERAL GOVERNMENT

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I should like to direct a question to the hon. Minister of Mines and Technical Surveys, the hon. Mr. Comtois.

Has the minister conferred or exchanged correspondence with the provinces concerned, with regard to the federal government's intention of "controlling" mining rights in areas located below territorial waters?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): No, Mr. Speaker.

(Text):

HARBOURS

LAKEHEAD—LOCATION OF FACILITIES AND REPRESENTATION ON COMMISSION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to address a question to the Minister of Transport on an issue that is causing considerable confusion in my region. Can he tell us whether the lakehead harbour commission, not yet appointed, is to choose the site of the harbour terminal and whether the western provinces are to have a representative on the commission, as recently announced by the government's representative in Port Arthur constituency?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, when the new commission is appointed, which I expect will be in about two weeks time, it will confer with the government regarding the site of the new harbour facilities. What was the second part of the question?

Mr. Fisher: The second part had to do with the western provinces having a representative on the commission.

Mr. Hees: It is my understanding that representatives who are interested in harbour matters in the two lakehead cities have been in touch with the government of Manitoba discussing the possibility of someone being on the commission who would be in a position to represent the interests of that province, and I believe agreement has been reached as to that person.

POST OFFICE DEPARTMENT

YORK TOWNSHIP—REPORTED REMOVAL OF POST OFFICE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Postmaster General, of which I have given him notice. Can the Postmaster General say whether the report in this morning's press is correct that two inspectors in his department removed the post office from the business premises of Nicholas Manfredo in York township because this gentleman had written to a Toronto newspaper criticizing the government?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, that certainly was not the reason.

Some hon. Members: Oh, oh.

Mr. Robichaud: Was it only a coincidence?

Mr. Hamilton (Notre Dame de Grace): Mr. Manfredo had been appointed on September 4, 1958, and on November 27, 1958, the hon. member for York South, the area in which the sub-post office is located, informed me that this sub-postmaster was engaged in partisan political activity and recommended his dismissal.

On December 3 I directed that this sub-post office be closed because of the partisan political activity of the sub-postmaster, but that in view of the heavy pressure on the Post Office Department during the Christmas period the closing be delayed until the Christmas rush was over. On December 9 confirmation was received from the postmaster in Toronto that the office would be closed following the Christmas season.

Appointment and dismissal of these sub-postmasters is the direct responsibility of the Postmaster General. My action was taken in accord with long-standing practice that where a member of parliament personally certifies to the partisan political activity of a public servant, dismissal may be ordered by the minister concerned. I might say that the limited action which I have taken in this regard has been on a completely non-partisan basis, and has included the dismissal of a postmaster for political activity in support of the present government which was requested by one of the Liberal members of the present house.

The preceding Liberal government, when it took office in 1935, embarked on a wholesale campaign in this regard—

Mr. McIlraith: Order.

Mr. Speaker: It seems to me that the hon. member has given a very complete answer.

Mr. Argue: I wonder if I might direct a question to the Prime Minister. Can the Prime Minister say whether the government, in keeping with the statement made in the last session, has discontinued the practice of giving to any member of parliament the right by this means to dismiss any person in the government service, or who operates a post office?

An hon. Member: The bill of rights.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, of this matter I had no knowledge indirectly or at all. I was absent from Canada at the time this event occurred. The hon. member was one of those who referred to that absence on a number of occasions in striking if not spectacular language. There is no necessity for me to establish the fact that I was absent, nor that I had no knowledge whatever of this action. The practice has been outlined and the responsibility is that of the Postmaster General. He has stated that, on his responsibility, as a result of political misconduct or political partisanship—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —action was taken. I suggest that the hon. member direct his question to the minister who is responsible, who has taken the responsibility, and who has made it very clear.

Mr. Argue: I believe the Prime Minister misunderstood my question. My question was whether a member of parliament has the right by this means, through any responsible minister, to bring about the dismissal of anybody in the government service or the removal of a postmaster.

Mr. Speaker: It seems to me the hon. member has secured an answer to the specific question, and he is now reaching out into the realm of the hypothetical.

Mr. Argue: The Prime Minister is reversing his own policy of last session.

Mr. Alexis Caron (Hull): I should like to ask the Postmaster General whether, before a dismissal is made, there is an impartial inquiry into the reported case?

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, going back, before answering the member's question specifically, into previous history, I might say—

An hon. Member: You could go back to Sir John A. Macdonald.

Mr. Speaker: Order. May I request the minister to keep his answer specifically to the question, because it seems to me this point is developing into a debate and that should not happen during the question period. I hope this will close this discussion.

Mr. Hamilton (Notre Dame de Grace): My only purpose here is to show the hon. member that this action was strictly in accord with procedure during the period from 1935 to 1940—

Some hon. Members: Oh, oh.

Mr. Hamilton (Notre Dame de Grace): —when there were 325 dismissed for partisan political activity.

Mr. Speaker: The question, as I understood it, related to the method by which a decision was arrived at in this particular case.

Mr. Hamilton (Notre Dame de Grace): In this particular case, Mr. Speaker, the procedure adopted was the procedure which had been discussed in the house at the last session and with which members of the opposition, including the hon. member for Laurier, were in agreement. This procedure was followed in this particular case. I might say that this is one of only five dismissals for political activity that have occurred under this government in the Post Office Department, in contrast to the 325 dismissed by the previous regime.

Hon. Lionel Chevrier (Laurier): On a question of privilege, Mr. Speaker, I should certainly not want the Postmaster General to put words in my mouth which I at no time uttered. In the last session I did discuss the dismissal, the unfair and unjust dismissal, of an officer in the Laurier constituency, but at no time did I admit that the procedure adopted was the one which should have been followed. On the contrary, I condemned that procedure very strongly.

AGRICULTURE

ALLEGED THREAT BY MINISTER TO REDUCE FLOOR PRICES

On the orders of the day:

Mr. Gabriel Roberge (Megantic): I should like to direct a question to the Minister of Agriculture. Would the minister table copies of his speech in which he threatened Canadian farmers with reduced floor prices unless the farmers voluntarily restricted production?

Hon. D. S. Harkness (Minister of Agriculture): I am not sure to which speech the hon. member is referring. I think probably it is the speech I made at the opening of the dominion-provincial agricultural conference, and I shall be glad to table that speech if he wishes it.

FISHERIES

NEWFOUNDLAND—REQUEST FOR ACTION TO AID COD FISHERMEN

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Prime Minister whether the government is going to take any action to relieve the distress caused by the failure of the cod fishery in Newfoundland, about which he will recall I wrote him last October, and which he advised me the Minister of Labour and the Minister of Fisheries were looking into urgently?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the answer is still applicable.

Mr. Pickersgill: I wonder if I might ask a supplementary question. Does the Prime Minister realize that half the fishermen on the northeast coast of Newfoundland have been forced on relief because of the failure of the government to act?

INDUSTRY

SPRINGHILL, N.S.—INQUIRY AS TO PLANS FOR REHABILITATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): If I may I should like to put a question to the Minister of National Revenue as the representative of Nova Scotia in the government. Has the government in mind any plans to meet the distressing situation in Springhill, which plans I would assume would be related to the government's general policy for the decentralization of industry.

Hon. George C. Nowlan (Minister of National Revenue): Any decision which is taken by the government in that regard will, of course, be announced in due course and at the proper time. As the house well knows, the Nova Scotia government set up a special corporation with capital of $1 million to assist in the attraction of industries to Springhill, and discussions have been going on between myself as Minister of National Revenue and officers of the different corporations as to what way my department or this government could co-operate in their establishment. I am hopeful that some action will be agreed upon in the near future with respect to some of the industries.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. W. H. JORGENSON AND SECONDED BY MR. LOUIS FORTIN

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

[Mr. Harkness.]

Mr. W. H. Jorgenson (Provencher): Mr. Speaker, on this occasion I am indeed indebted to the Prime Minister (Mr. Diefenbaker) for the honour he has given my native province of Manitoba and the recognition he has shown to the constituency of Provencher in allowing me to move the address in reply to the speech from the throne that His Excellency the Governor General so graciously read to us yesterday.

In selecting Provencher for this singular honour the Prime Minister has chosen a constituency that is truly representative of a cross-section of our Canadian population, from the Anglo-Saxon and French pioneers who first settled the district along the banks of the Red river; the Mennonites who began settlement in the Steinbach and Altona districts in 1873; and the Ukrainians who established their first rural area in the Stuartburn district in 1896. The story of their gradual assimilation into the Canadian way of life was embodied in the words of Lord Tweedsmuir to the Ukrainian community of Fraserwood in 1936, when he said:

> I do not believe that any people can be strong unless they remember and keep in touch with all their past . . . You will all be better Canadians for being good Ukrainians.

Theirs is a story of incredible hardship and disappointment. The difficulties they encountered in adjusting to machinery, to business life, to democratic processes, even to new clothing, different food and a new language, provide us with our most interesting chapters of history in the development of this part of Manitoba. The Prime Minister has had occasion to visit the thriving district of Steinbach and to see at first hand the results of private initiative and industry. Here is one of the finest examples of what Canadians have done to build their own communities into progressive towns without the aid of government or the benefit of large industries moving in.

Over in Altona the same progressive spirit prevails but the same results have been achieved through co-operation rather than individual enterprise. Following the construction of the co-operative vegetable oil plant in 1946 and investment of $160,000 has grown into an investment of over $1 million. Although only about 50 people are employed here, this industry has had a tremendous effect upon the development of the town and the local agricultural economy. Annual payments to farmers for sunflower seed, soya beans, rapeseed and flax, exceed $1.3 million and half a million dollars annually is funnelled into the town's business enterprises through its operations.

I might add that approximately 70 per cent of Manitoba's sugar beet crop is grown in this area, a fact which is further evidence

of the diversity of production and certainly a reminder to me that the problems of the farmer are not all concentrated among one group of producers.

In greeting you, Mr. Speaker, let me say how pleased we all are to see you again in the chair ready to resume your duties. We know that you will preside over this house with the same tact, courtesy and patience that you have shown in the past.

(Translation):

Mr. Speaker, I would certainly be remiss in my duty at this time if I did not try to say—however haltingly—a few words to this house in our other official language, especially as Provencher has been to a very large extent enriched by French contributions in the cultural, social or economic fields.

I sincerely hope that soon I will no longer have to resort to the system of interpretation newly set up in the house.

(Text):

May I be permitted to add my voice to that of those who have spoken of the passing of two of our colleagues in this house, Mr. Yacula and Mr. Lockyer. Although I have been a member of this house but a short time, I have experienced the comradeship and good fellowship that is as much a part of our parliamentary tradition as are the debates that take place in this chamber and it was with profound regret that I learned of their passing.

In the short time that I had to become acquainted with Mr. Lockyer, I was impressed with his warm friendliness, and his ability to make anyone feel at ease. Mr. Yacula represented a constituency that adjoins mine and I knew him somewhat more intimately. This quiet person caught the imagination of the people of Springfield with his capacity for work and his ability to shrug off adversity. My sincerest sympathy goes out to the members of their families, their relatives and friends.

I would be remiss if I did not at this time comment on our Prime Minister's most successful around-the-world trip. In this atomic age our world becomes ever smaller and nations which were once thought of as far-off foreign lands are today our close neighbours. Journalists throughout the world tour heralded our Prime Minister's visit to their lands as outstanding good neighbour policy. We can only express our heartfelt thanks for a job well done, for from the mother of parliaments even to the gates of India the Prime Minister made the maple leaf shine ever brighter among the nations of the world.

No one can view with passive interest the efforts of the government to increase total trade. Those of us from the west, and particularly those members representing agricultural constituencies, have a vital interest in the expansion of our trading frontiers, not only to dispose of existing productive capacity but to develop markets for the increase in production that will follow as a result of improved technology and science.

It was with great pleasure, therefore, that we watched the significant developments that took place during the commonwealth conference held last fall in Montreal. Surely there can be no doubt in anyone's mind that if trade is to be limited to nations which have comparable standards of living there can be no hope for those countries which have been deprived of the bounties of providence. In the interest of world peace, to say nothing of social justice, we have a responsibility to the underdeveloped areas of the world to give aid, both economic and technical, to narrow the gulf that exists between their living standards and ours. To achieve this goal the Prime Minister has taken a leading role, not only through his efforts in convening the conference itself, but by increasing aid to those countries through the Colombo plan, and now by extending the purpose and facilities of the Exports Credit Insurance Corporation.

Fundamental to the problem of the western farmer has been the wheat surplus. We are indeed gratified by the 15 per cent increase in wheat sales abroad during the past crop year and are encouraged by the prospect that these levels can be maintained during the present crop year. I am sure hon. members will agree that hard work and determination on the part of the Minister of Trade and Commerce (Mr. Churchill) are in no small measure responsible for the success of our sales abroad.

Since the house last met the grain growers of western Canada have harvested a relatively good crop. In July it was anticipated that feed supplies for livestock might be in extremely short supply and persons who should have been in a good position to judge went so far as to suggest that the west was likely to harvest only half a crop. The fact that the crop came through is, of course, vitally important because of the income that will flow to our farmers and the provision of essential feed. Scarcely less important, however, is the light it throws on the trends in agriculture. It seems to me that we can expect less variability of yield in western grain production because the crop can now withstand drought to a degree that was not considered possible in the pre-war period.

I do recall the many statements that were made at that time with respect to the expected

crop failure. As a matter of fact this government, on the basis of those reports and requests from the provinces, undertook to bear half the costs of the provincial governments of Manitoba and Saskatchewan which were attempting to meet the situation. The fact that does emerge as a result of this experience is that the western crop showed an unexpected ability to withstand drought. Many crops thought to be dead did, in fact, recover.

Hon. members may perhaps wonder what has changed. It is, in fact, a mark of credit to science and to the farmer himself. Our plant breeders have provided us with better crop varieties; farms are better equipped, and the timeliness of operation is improved. Selective weed killers have provided control of certain varieties of weeds and so reduced weed competition for moisture in the growing crop. Crop experience in 1958 does imply that we are not likely to go back to the yield experience of past years. I do not suggest that we shall maintain the phenomenal production of the early 1950's, but given the same conditions we can now raise more grain on a given number of acres than we could even a decade ago.

Our ability to raise more grain on the same number of acres spreads the production costs over more bushels and reduces the variability of yield. It does not, however, justify the contention by many that it compensates for the rise in costs. I am sure most hon. members will agree that running faster just to stay in the same place can be pretty frustrating. What it does mean, in effect, is this: reducing the variability of yield gives rise to the belief that a national crop insurance program, long thought to be out of reach of the farmer financially, is now well within the realm of possibility.

But let me be clear on this point: the belief that we should offset rising costs by increased productivity alone will result in far greater surpluses than we have at present. The hard fact is that in western Canada we depend largely on export markets for the sale of our grain. In those markets we must be competitive. If we are priced out of them by rising costs, the western economy, and, as a result, the Canadian economy will suffer. Experience has shown that Canada still depends in a large measure on western agriculture for her economic well-being. Up until now, farmers have borne the brunt of increased wages and higher profits of labour and industry. This situation can no longer be tolerated. My appeal to the Canadian people as a whole is not to place the farmers in this country in an impossible position.

[Mr. Jorgenson.]

This does not mean, however, that all farmers are operating on a sound economic basis. The economic division of the Department of Agriculture separated out the commercial farms in Canada on the basis of the 1956 census, dividing the commercial farms from the others on the basis of the ability of a farm to produce $1,200 for its operator in the course of a typical year. Few of us would feel $1,200 to be a large annual income, and I would point out that this figure represents total production—the cost of production must be found within the $1,200. But the department found that only 21.6 per cent of the farms in Newfoundland qualified as commercial farms in 1956 under this definition; 38.5 per cent in Nova Scotia; 40.8 per cent in New Brunswick; 53.4 per cent in British Columbia; 72 per cent in Quebec; and up to 95.6 per cent in Saskatchewan.

I would be very interested in knowing the ranges of gross income of the farmers in my riding. I do know that many of them require the further consideration of this government to become classed as commercial farms. Certainly these figures reveal very clearly that Canada has many farmers who gravely require credit which will enable them to convert their present operations to a really economic basis. In all parts of Canada this is the real and pressing need. I am satisfied that it will be a source of great gratification to all farmers and farm organizations that this government has moved promptly and adequately in this direction through the provision of a comprehensive farm credit policy.

The same must be said of crop insurance. This is a technique for permitting a farmer to spread his risks over a long period of years so that he should not be prostrated by one bad crop but can replace periodic grave losses by regular premiums. It will allow farm income to be more predictable and will make possible the elimination of the periodic production crises that, particularly in the west, have plagued our farming industry.

These are policies, furthermore, which have the great merit of bearing some relationship to the trends in Canadian farm production and food consumption. We cannot worsen the position of the livestock producer in the west relative to that of the grain producer, and it is unrealistic to fly in the face of the food preferences of Canada and of our customers. The per capita consumption of cereal grains in Canada in 1957 was only three quarters—75.6 per cent—of the 1935-39 average consumption. The comparable figure for fruit was 159.4 per cent; for vegetables, 122.8

per cent; for eggs, 124.1 per cent; meats, 120.7 per cent; poultry 145.5 per cent; and of milk and cheese, 123.1 per cent.

There is often a tendency within urban and industrial communities to regard the farmers' position within our economy as similar to that of industry or labour in that prices and wages can be adjusted in relation to costs of production and costs of living. We often hear that if the farmer cannot adjust prices in relation to costs, he can adjust costs in relation to prices by adopting more efficient methods of production. This, in effect, can only be done over a long period of time and to do so requires capital, credit and managerial assistance. These requirements seem to be lacking when they are most needed. In effect he adjusts to low prices through reduced income and lower standards of living. Many people seem to think that this state of affairs will force farmers to reduce production or leave agriculture but here again this does not work out in practice for two reasons. The character of the family farm unit is one, but the main reason lies in the nature of the farmer's costs.

In industry operating costs form a large part of total costs but in agriculture a very large proportion of costs are overhead and these costs must be borne whether or not a crop is produced. Industry reduces production but maintains prices. This gives rise to unused capacity and unemployment which becomes a social responsibility. Farmers, however, cannot vary production in step with market conditions. Indeed they maintain production when market demand falls off and receive lower incomes. This gives rise to excess capacity and low incomes on the farm but unlike industry the farmer bears the full responsibility of under-employment.

To further illustrate this point permit me to quote from an article that appeared in *Time* magazine, issue of June 2, 1958, entitled "Death of Two Maxims" which says in part that prices do not rise and fall in strict relation to the demand for goods and services and that wages do not drop or climb according to the supply of labour or the amount of unemployment. Further along in the article this statement appears:

> Prices are not related significantly to demand, but to costs. The price setting process has been shifted from the competitive market place to the conference table.
>
> In the same way, wages are growing more and more rigid. They are on a ratchet, clicking steadily higher, but locked against any slippage downward.

It can be seen, therefore, that the bargaining position of the farmer is weak. Wage earners, manufacturers and professional people can demand their share of the national product. The farmer has to take what is left. I am sure that once aware of this basic difference every reasonable person would agree that the farmer's problem requires, not only sympathy but effective aid.

This government recognizes the imbalance that exists in the farmer's bargaining position and has taken steps to remove it. Under the western grain producers' acreage payment act, $40 million has been pumped into the western economy. Assistance on grain storage charges during the past year has amounted to $38,800,000. Twenty-five million dollars is the estimated amount of money that will be paid under the Prairie Farm Assistance Act this year, while assistance under the Prairie Farm Rehabilitation Act will amount to $17,285,000. Hog premiums have amounted to $6,630,000 and the amount of freight assistance on western grains to eastern feeders has been approximately $21 million this year. In addition to these amounts, and perhaps even more significant, are the amounts that were spent under the stabilization act and the cash advance act.

I do not want to leave the impression, however, that the amount of money spent is the yardstick in measuring the success of a farm policy. There must be a purpose and if the amount spent can achieve that purpose then the expenditure can be justified. Our purpose, as I have stated previously, is to correct the imbalance that exists today by the implementation of policies designed to place the farmer in a bargaining position comparable with other groups in our society and not to make him a ward of the government.

There is one further trend in agriculture that is receiving a great deal of attention these days and I could not allow this opportunity to pass without offering some comment on its impact on the Canadian economy. I refer, of course, to the trend toward vertical integration. For the benefit of those who are not familiar with this term I should perhaps take a moment to explain its meaning. The process involves the letting of contracts to farmers by meat packing firms and feed companies for the production of certain types of livestock. In most cases capital is extended to the farmer for the construction of buildings and the purchase of equipment. The farmer in effect becomes the employee of the company. The products that have come under this type of farming today have been hogs, turkeys and chicken broilers. Farmers are concerned over this move toward integration. The dangers of a food monopoly are readily apparent and I need not enlarge upon them here. In addition, and perhaps equally as important, would be the loss of independence

that is characteristic of farming today. It would, as one veteran Canadian farm writer has written, set agriculture back a thousand years.

The proponents of this move toward integration say that its advantages are a continuous supply to the packing companies and greater security for the farmer. In point of fact, however, farmers themselves are assuring us of a continuous supply of food throughout the year through a greater knowledge of production methods and greater security for the farmer has been provided under the terms of the agricultural prices stabilization act. As I have stated previously, the real need that exists today is in the field of capital for expansion, diversification and consolidation of the farming community. There is a danger at present that under the terms of the agricultural prices stabilization act the trend toward vertical integration could be encouraged. I would ask the Minister of Agriculture (Mr. Harkness), to examine the situation very carefully with a view to removing this possibility.

We are hearing a great deal of talk in western Canada at this time with respect to a march on Ottawa for the purpose of pressing this government to give deficiency payments on the last three western crops, the assistance for the 1955-56 and 1956-57 sales to total some $228 million. Perhaps I should comment briefly on this proposed march.

First of all, Mr. Speaker, may I say that I was a director of the Manitoba farmers' union for four years. I have travelled throughout the greater part of that province to make speeches on farm policy questions during that time. I have talked to hundreds of farmers on their farms with respect to the problems they face. And finally I decided it was my clear duty on behalf of these farmers for whom I was working to contest the Conservative nomination in Provencher. I did so because of my concern for the farmers of Manitoba, and indeed of Canada, and because of my conviction that we would not get a realistic and helpful farm policy in Canada without a change in government.

When I take my place in this house I am representing those farmers as surely as I was when I took my place at a table for a meeting of the officers of a farm organization or travelled with a delegation to Ottawa, or addressed a farm meeting in a one room country school house. And I have no hesitation in saying that if consideration had been given to the proposals of the farm organizations for an adequate national farm policy years ago, and indeed if the Saskatchewan pool, the sponsors of this march, had joined with them in pressing the government of that day, there would have been no talk of a march today. The stage was set and the course was charted as early as 1946. If we are going to continue to deal with the problems of western agriculture on a crisis to crisis basis, there will be no end to them. Furthermore, future generations of farmers will roundly condemn us for failing to provide them with policies that remove the inherent weaknesses within the price system.

The contention on the part of the Saskatchewan pool is that farmers cannot wait for the results of a long-term policy. That statement has been made on numerous occasions in the past, and perhaps explains why a national policy has never been implemented.

The stated policies of this government are known and generally have the support of the farm organizations. They are intended to remove the root causes of instability in agriculture. True, some of these difficulties will yield only to long term measures. But any effort to jeopardize or prolong the early implementation of a truly national farm policy will be performing a disservice to the farmer.

In agriculture, as in other lines of endeavour, it is essential that we live and operate and plan policies in the real world of today. We would all be delighted to see millions of dollars ploughed into the general improvement of our farming industry. But we must all be very conscious of the grave responsibility of seeing that the industry is not hurt by the policies we implement. Rather we must ensure that the benefits are lasting.

With these remarks and expressing once again the pleasure that the occasion has given me, I have the honour to move, seconded by the hon. member for Montmagny-L'Islet (Mr. Fortin), that the following address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Hon. Vincent Massey, Member of the Order of the Companions of Honour, Governor General and Commander-in-Chief of Canada:

May it please Your Excellency:

We, Her Majesty's most dutiful and loyal subjects, the House of Commons of Canada, in parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both houses of parliament.

(Translation):

Mr. Louis Fortin (Montmagny-L'Islet): Mr. Speaker, at the very beginning of my remarks I want to tender you the tribute of the members of this house. Long before the voters of Montmagny-L'Islet honoured me by sending me to parliament as their representative I had come to know of you. By regularly reading the official report of parliamentary debates, I have, in the past, been able to appreciate your brilliant abilities as a parliamentarian and, above all, your impartiality.

I know that all members of this house share my feelings in this regard and that they join me in wishing you much satisfaction in the discharge of your responsibilities. I also want to assure you of my entire devotion and unfailing loyalty.

Allow me to express my gratitude to the right hon. Prime Minister (Mr. Diefenbaker) who entrusted me with the task—both delicate and difficult—of seconding the address in reply to the speech from the throne. This token of esteem I accept on behalf of my voters and on my own behalf, but I consider it mainly as a token of esteem for my fellow-citizens of the province of Quebec. He has sought to show me his confidence and his friendship, and I feel greatly honoured.

It is true, Mr. Speaker, that I am something of a Johnny-come-lately. However, I have had occasion to meet almost all members of this house and, having had the advantage of being elected at a by-election, I have by some strange coincidence been able to meet a goodly number of hon. members who were holidaying in my riding last September.

I would indeed be remiss in my duty, Mr. Speaker, if I did not pay a particular tribute to the electors of Montmagny-L'Islet, whom I am deeply proud to represent here. I am not overlooking the fact that, ever since its establishment twenty-five years ago, the constituency of Montmagny-L'Islet has been represented by a Liberal member. Nor am I unaware of the fact that the vote given to me is extremely significant, since I had asked my constituents to say with their votes whether they approved or not, as of last September, the policies of the government. The vote was also significant because my constituency is both urban and rural. It has been possible, therefore, for people of all classes of that community to express their point of view on the policies of this government.

My constituency is located on the south shore of the St. Lawrence, 30 miles east of Quebec city. It is bounded on the north by the St. Lawrence, on the east by the constituency of Kamouraska, on the south by the U.S. border and on the west by the constituency of Bellechasse. As I said, my constituency is both urban and rural. However, nearly all parishes in the constituency of Montmagny-L'Islet are farming communities. I am therefore, as it were, a spokesman here of a deserving agricultural class and, at the same time, of a working class earning its daily livelihood with much satisfaction.

May I point out, incidentally, how pleased I was to read in the speech from the throne, that the government was going to introduce during the year, a bill concerning crop insurance. This answers a request that has been made to me many times in my constituency; it is indeed with pleasure that I shall support that measure.

Mr. Speaker, there is one consideration, of a personal nature perhaps, which I cannot leave unmentioned. I cannot adequately express the emotion I felt yesterday when, for the first time, I entered this house. I remembered at that moment that I represent here the third generation of my family. In 1920, my grandfather sat in this house. In 1930, my father did likewise. I am resolved, Mr. Speaker, to follow in their footsteps and to devote the best of my abilities to my country.

While I shall be representing a constituency of the immediate district of Quebec, I think it is proper to point out that I am the only one here with veteran status.

I have always been active in veterans' organizations in my area, and I know they will be counting on my earnest support. It gives me pleasure, therefore, to assure them of my full co-operation.

I wish to congratulate the hon. member for Provencher (Mr. Jorgenson) who, a moment ago, moved the address in a masterful and thoughtful manner. I followed his speech with close attention, and I do feel that the problems of the western part of this country are much the same as those we face in our province and farther eastward.

I am the first French-speaking member to benefit from the simultaneous translation system installed here after the last session. This is something which is closely connected with the matter of bilingualism in the country.

(Text):

I believe it would be quite in order to make these few remarks in English. I wish to extend my most sincere congratulations to all those members who at the last session voted unanimously in favour of the establishment of a simultaneous translation system in this chamber. I read with very great interest the speech delivered here on August 11 by the Prime Minister (Mr. Diefenbaker). He said at that time everything that needed to be said on the subject, but he mentioned in particular that from now on members in general will be able to make a better contribution to the debates in this house. I am sure that this new facility will not reduce the enthusiasm shown by so many members to learn a second language.

(Translation):

Last September, in the dying days of the session, Bill C-60 was put forward for the

adoption of a declaration of human rights. This piece of legislation was, so to speak, an extension of the universal declaration of human rights proposed by the United Nations ten years ago. It would, of course, be inappropriate at this time to discuss the bill at length. I should like to stress, however, that it is of particular interest in view of its future effects. I would even go so far as to suggest that this piece of legislation is one of the most important ever brought before this parliament. As an illustration of the importance, in the minds of the people, of a bill of this nature, it would be sufficient to mention that last December, seminars were held in many towns of Canada to mark the tenth anniversary of the United Nations universal declaration of human rights. Since then, the question has often been raised as to whether the bill as drafted is adequate to ensure effective protection of individual freedoms. Many consider that it is. Others argue that it would be preferable if this legislation were embodied in our constitution. I will only say at this time that the bill, as it now reads, is a step in the right direction, and may I emphasize that the principle of the bill has received unanimous approval.

Canada, admittedly, is still a young country. We are still developing and I think I can safely say that we are still a long way from full economic, political and cultural development.

Therefore, since we now enjoy these freedoms, since they are ours without our realizing it, we have assimilated them, so to speak, in our minds and in our hearts, and it is time that we take adequate steps to protect them.

If in many countries, steps had been taken to protect the individual freedoms, these countries would not find themselves under the totalitarian yoke of a government which subordinates mind to matter, spiritual values to materialism and, finally, the will of the people to coercion.

The members of the house will be called upon to declare that human freedoms have always existed in Canada and will always exist in the future.

I do not wish to discuss the bill in full detail, but I would like to point out a section which, in my opinion, is important, in view of its potential repercussions. I refer to freedom of the press.

[Mr. Fortin.]

The press plays an extremely important part in our way of life, a part that involves great responsibilities. These responsibilities stem from the fact that it behooves the press to shape national consciousness and the life of our people. It is most important that the press enjoy the greatest degree of freedom, that it always be at its best, that it constantly strive towards a noble goal and that it always seek to safeguard the fine traditions of our Canadian journalism.

Mr. Speaker, the financial situation of this country, in my opinion, gives no cause for worry. Quite happily, the hon. Minister of Finance (Mr. Fleming), who had been particularly well trained for the position he now holds, took adequate measures to prevent the particularly difficult situation which was looming. Already, the mere fact of removing credit restrictions has favoured a substantial strengthening of business, has brought renewed optimism to the people of Canada and given confidence to our businessmen. Incidentally, may I be allowed to offer him my sincere congratulations for the spectacular success of the conversion campaign of 1958. In fact, five victory loans totalled $6 billion and, after only a few days of campaigning, $5 billion 800 million were converted. In my opinion, this success is altogether amazing.

The present government, even after being challenged to do so, was successful in reducing taxes in the amount of $200 million, and in record time. However, we can now look forward to a more optimistic stabilization in national affairs.

When considering, for instance, the field of home building, it is noted that all contractors concurred in the belief that the year 1958 would be a bad year; it was, nevertheless, the best that we have known and I think that the increase amounts to about $110 million. Moreover, the year 1959 already gives indications that prosperity is coming back, and coming back to stay.

In the international field, it is interesting to note the extraordinary progress made by Canada in particular. Since the end of the war, we had always expected a situation which sometimes proved difficult and sometimes more comforting. The unity which, at one time, was more particularly reached amongst the members of NATO was such that a new power rose in the world in order to offset, in some measure, communist influence.

It gives me pleasure to stress the increasingly important part the commonwealth is called upon to play in the world. We must admit, Mr. Speaker, that not so long ago, the commonwealth was something known only to our more cultured citizens. But in the last few years, and especially in the last few months, it seems that the whole Canadian people have had their eyes opened with regard to the British commonwealth and realized that this was a true force, a group of nations whose one ambition was peace in this world.

May I also stress in passing that, to my mind, the greatest factor contributing to better knowledge of the commonwealth, and to placing our country at the summit of those commonwealth nations has undoubtedly been the recent trip of the right hon. Prime Minister throughout those countries.

After the war, we have often found ourselves facing a more or less fearsome crisis. Sometimes it was veiled or open invasion of some corner of the world. I believe the government which in our particularly dangerous times manoeuvre wisely in favour of world peace, is to be commended. As we are neighbours of the United States, and closely linked to Great Britain, our situation is extremely delicate. As a member of the United Nations and geographically situated in the front line in case of war, Canada could nevertheless not remain coolly neutral; Canada had to take a definite position and advocated moderation. For moderation has to be advocated. We are happy to note that, while preaching moderation, our government stood firm and strong against the dangerous propaganda which had broken out all over the world.

Allow me also to stress how glad we are to note that the government will do more to help under-developed countries. All over the world, hunger is being felt. There are under-developed countries which, at one time, were in distress, or had always been so. But the difference now is that formerly those countries did not know that they were in distress, because they had no point of comparison. Thanks to modern means of communications the peoples of the under-developed countries are now in a position to realize what goes on in other countries. Therefore, they envy those countries, and being under-developed, they beg help from the first one at hand. Now bread when one wants it, is readily accepted, from whatever quarter it may come. That is why I believe that the first duty of the Canadian nation is to accept generously the sacrifices which may be asked of her, sacrifices which will allow us to help those under-developed nations, so that at last they may turn away from communist propaganda, and may once and for all see the light that is being held out to them by the free nations.

(Text):

The coming year, Mr. Speaker, will bring back to our memory an historical event that should be the object of a special observance. In my home town of Quebec city, we are about to celebrate this year the 200th anniversary of the battle of the Plains of Abraham. Although it is an observance that involves my home town in a most intimate way, I wish to invite the whole population to join in that celebration and to remember that 1759 marks a particular event in Canadian history. It marks the beginning of an experiment that has been very successful. This experiment subsequently required two nationalities to live together and to work together toward the creation of a new nation.

(Translation):

We have now reached an extremely important crossroads in our national history. It must be remembered that 200 years ago, on the heights of Quebec, soldiers were meeting in battle. From enemies that they were then, they have become compatriots, fellow-citizens, friends, and brothers, and both groups have worked, each in its own field of human endeavour, each in its own environment, to build the Canadian nation. After 200 years of efforts and of association, the Canadian nation today feels compelled to analyse and to define itself. Canadians, as a writer has said, are somewhat like youths in search of their own soul and of an ideal.

In the past, and even to this day, there has often been talk of national unity and of Canadianism. These terms, however, are always given too abstract a meaning. They are important so to speak, to the extent where they are translated into practice. Is Canadianism something real, or is it fiction? It is a fact. Indeed, to be a Canadian is to think and act as a Canadian. In order that such Canadianism may become the heritage of all Canadians, of whatever origin, Canadians must remain deeply aware of their origin and must make every effort to understand themselves. A third of the Canadian nation

today is of other than French or English origin. In other words, the Canadian family has been enlarged in recent years. In other provinces of Canada, people have entered our country and have given us the benefit of their skills. In addition, they have allowed us to benefit from their wealth, for the economic development of our country.

I am convinced that with the co-operation of all men of goodwill, this national unity about which there is so much talk is so attainable a goal that it is on the verge of becoming a total and complete fact. If we, Canadians of all origins, examine the means at our disposal, that is the means we all share in common, we realize that there is but one race, the Canadian race.

It will be remembered that, in former times, Canadian history was taught in a certain way in some places, and in another elsewhere. Nowadays, our history, relating the facts as they happened, has resulted in our being more united. It will be recalled that, in 1867, great Canadians such as Macdonald, Cartier and Brown understood one another and put in common their goodwill, talents and energy, in order to set up the Canadian confederation of which we are so proud today.

Neither Canadians of English origin, nor those of French origin, could have alone achieved confederation. The contribution of both was required. This was the beginning: the beginning of the unity for which we must always toil and toward which we must always strive.

We also have another thing in common, the effort that each Canadian makes for the cultural, political and economic development of this country. In the field of economy, we notice, in our province, the great developments that are achieved in the western part of the country. We are also close enough to the maritimes to see the gigantic expansion that is taking place there. We, in the province of Quebec, have witnessed a complete transformation of our economy, often due to the new Canadians who have come in our midst.

In the political field, a mere glance around this house reveals that all Canadians, of whatever origin, have sent here members of different origins, who are a new asset to this parliament.

We also have another thing in common: our common effort during the last war. When we hear today of the Royal Canadian Regiment, one name is always mentioned in the same breath, that of the Royal 22nd Regiment.

Mr. Speaker, what I will say now may be a little less important, but it is worth mentioning. There are also these things that are contributing to the emergence of a truly Canadian type. For instance, when a stranger sees the picture of a member of the Royal Canadian Mounted Police, or a maple leaf, or a beaver, what else than Canada can he think of? He does not think of a certain part of Canada, of Canadians of certain origins, but of the whole country. However, it remains that inside this Canadian picture, there is a province which seems to us a little different from the others, because it has special laws and a somewhat different educational system. I believe, Mr. Speaker, that I express quite frankly and quite sincerely the true feeling of the province of Quebec.

The province of Quebec is like any other province, it wishes that complete unity be achieved in the country; it is her most ardent wish, and Quebec will work without respite to this end. Obviously, today, the means of communication enable us to have more frequent and immediate contact with Canadians of other origins. We are glad of this and I am convinced that on leaving this house, if all members of this parliament believe that Canada is only one country, that Canadians, whether they speak one language or the other, are all Canadians, this belief will grow and all Canada will share it.

Mr. Speaker, before resuming my seat, I should like to quote from a book I read not so long ago, a creed that was submitted by the author to our Canadian youth. It reads:

I believe in Canada, proud of her past, happy over her present and confident in her future.

I believe in the British commonwealth of nations, among which we have always found freedom, and outside of which our national life would not enjoy so much independence.

I believe that our future will be even brighter than we can possibly imagine.

Let us make this creed ours. It expresses the pride of our people and its ardent wish to see Canada take first place among free nations, where it is so good to live.

(Text):

Mr. Pearson: Mr. Speaker, I should like to move the adjournment of the debate.

On motion of Mr. Pearson the debate was adjourned.

On motion of Mr. Diefenbaker the house adjourned at 4.34 p.m.

HOUSE OF COMMONS

Monday, January 19, 1959

The house met at 2.30 p.m.

CANADIAN RADIO PATENTS LIMITED

EFFECT OF UNITED STATES ANTITRUST ACTION ON CANADIAN SUBSIDIARIES

Hon. E. D. Fulton (Minister of Justice): As hon. members know, Mr. Speaker, concern has been caused in Canada by current United States antitrust action against parent companies of Canadian subsidiaries in respect of the participation of those subsidiaries in Canadian Radio Patents Limited, a Canadian company dealing in radio and television patents. The object of the action appears to be to force the Canadian companies to make important changes in commercial practice which we consider to be the concern of Canadian rather than United States law. Other United States antitrust cases have, in the past, raised similar cause for concern and some of them have been the subject of representations by the Canadian government to the United States government.

As a result of the current case I made informal representations to the United States embassy in Ottawa, which were followed up by a formal note delivered through our embassy in Washington to the United States government. The concern of the Canadian government was also expressed and discussed at the recent meeting in Ottawa of the joint United States-Canada committee on trade and economic affairs. The communiqué issued as a result of that meeting stated:

> It was agreed that the general questions involved would be the subject of further discussions between the two governments at the ministerial level, and arrangements are being put in hand accordingly for a meeting.

I may now inform the house that arrangements have been made for discussions between the Attorney General of the United States and myself to take place in Washington on the 29th of this month concerning problems raised in Canada by the effect in this country of certain United States antitrust cases and the means that may be taken for dealing with such problems.

EXTERNAL AFFAIRS

COLOMBO PLAN—TABLING OF SEVENTH ANNUAL REPORT OF CONSULTATIVE COMMITTEE

Hon. Sidney E. Smith (Secretary of State for External Affairs): I desire, Mr. Speaker, to table copies of the seventh annual report of the consultative committee of the Colombo plan. This report is being released today. The report was approved at the meeting of the committee held in Seattle from November 10 to November 13, 1958. On that occasion I had the honour of leading the Canadian delegation.

The purpose of this annual report is to review the progress made by the countries of south and southeast Asia in carrying forward their economic development programs, and in this way improving the standards of living of their peoples. The report also summarizes the assistance in this important task that has been given to the countries of the area by countries outside the Colombo plan area. In a final chapter the report endeavours to assess the magnitude of the task that lies ahead.

The report shows that Canada's total assistance toward the economic progress of the countries of south and southeast Asia, from the beginning of the Colombo plan in 1950 to the end of 1958, was $288.2 million. This includes $56.5 million which has been made available to date to the countries of the area, in grants and loans outside the regular Colombo plan appropriations, for the purchase of Canadian wheat and flour.

Total economic assistance to the members of the Colombo plan in south and southeast Asia from other member countries since 1950 has been about $5 billion. The report points out that this external assistance has been a significant factor in the economic progress of the region, but emphasizes that by far the greater part of the economic resources devoted to development continues to come from the countries of the area themselves.

CANADIAN CITIZENSHIP ACT

AMENDMENT RESPECTING STATUS OF NATURALIZED CITIZENS

Hon. J. W. Pickersgill (Bonavista-Twillingate) moved for leave to introduce Bill No. C-2, to amend the Canadian Citizenship Act.

Some hon. Members: Explain.

Some hon. Members: Agreed.

Mr. Pickersgill: Mr. Speaker, I appreciate the unanimity shown by the house in support of this proposal. I was going to say that the effect of this amendment, if it were adopted by the house, would be to place the citizenship of naturalized citizens on a basis of complete equality with the citizenship of

natural born citizens, something which the amendment we adopted at the last session failed to do.

Motion agreed to and bill read the first time.

INTEREST ACT

AMENDMENT TO PLACE CEILING ON INTEREST RATES

Mr. Hazen Argue (Assiniboia) moved for leave to introduce Bill No. C-3, to amend the Interest Act.

Motion agreed to and bill read the first time.

FINANCIAL ADMINISTRATION ACT

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

Mr. Samuel Boulanger (Drummond-Arthabaska) moved for leave to introduce Bill No. C-4, to amend the Financial Administration Act.

Some hon. Members: Explain.

(Translation):

Mr. Boulanger: Mr. Speaker, the purpose of this bill is to provide that every cheque, draft, traveller's cheque, bill of exchange, postal note, money order, postal remittance and any other similar remittance of any department as defined in paragraph (f) of section 2 of the Financial Administration Act or of any Crown corporation enumerated in schedules B, C and D of the same act shall be printed in both the English and the French languages.

This is in accordance with the principle established in the Bank of Canada Act where it is enacted (subsection (4) of section 21) that the notes payable to bearer on demand and intended for circulation in Canada issued by the bank shall be printed in both the official languages.

(Text):

Motion agreed to and bill read the first time.

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

Mr. Theogene Ricard (St. Hyacinthe-Bagot) moved for leave to introduce Bill No. C-12 to amend the Financial Administration Act.

Some hon. Members: Explain.

Mr. Ricard: Mr. Speaker, the purpose of this act is to have all negotiable notes printed in French and English.

Motion agreed to and bill read the first time.

[Mr. Pickersgill.]

SMALL LOANS ACT

AMENDMENT TO PLACE CEILING ON INTEREST RATES

Mr. Hazen Argue (Assiniboia) moved for leave to introduce Bill No. C-5, to amend the Small Loans Act.

Motion agreed to and bill read the first time.

FLAGS OF CANADA

MEASURE TO PROVIDE FOR A NATIONAL FLAG OF CANADA

Mr. Samuel Boulanger (Drummond-Arthabaska) moved for leave to introduce Bill No. C-6, respecting flags of Canada.

Some hon. Members: Explain.

(Translation):

Mr. Boulanger: Mr. Speaker, it will be seen in the explanatory notes that:

As it is desirable and urgent that Canada possess a distinctive national flag, this bill provides a method of obtaining a flag with the least possible delay. The method adopted is to have the Governor in Council prepare the design immediately upon passage of this bill and to submit the design for approval of the house and the other place at this session.

(Text):

Motion agreed to and bill read the first time.

INDUSTRIAL RELATIONS

PROVISION OF STATUTORY HOLIDAYS WITH PAY FOR EMPLOYEES

Mr. Erhart Regier (Burnaby-Coquitlam) moved for leave to introduce Bill No. C-7 to provide for pay for statutory holidays for employees and for pay for work performed on statutory holidays.

Motion agreed to and bill read the first time.

PROVISION OF MINIMUM RATE OF WAGES FOR EMPLOYEES

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-8 to provide for minimum wages for employees.

Motion agreed to and bill read the first time.

FINANCE

PROVISION FOR PRINTING OF NEGOTIABLE INSTRUMENTS IN BOTH ENGLISH AND FRENCH

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm) moved for leave to introduce Bill No. C-9 respecting the printing of negotiable instruments in the English and the French languages.

Some hon. Members: Explain.

(Translation):

Mr. Pigeon: Mr. Speaker, I should like to explain this bill in French, thanks to the simultaneous interpretation system, initiated by this government to promote national unity.

The printing of negotiable instruments in both the English and the French languages—

—and I take pleasure in moving that they be so printed.

—is in accordance with the principle established in the Bank of Canada Act where it is enacted (subsection (4) of section 21) that the notes payable to bearer on demand and intended for circulation in Canada issued by the Bank shall be printed in both official languages.

(Text):

Motion agreed to and bill read the first time.

CANADA ELECTIONS ACT

EXTENSION OF RIGHT TO VOTE AT ADVANCE POLLS

Mr. D. M. Fisher (Port Arthur) moved for leave to introduce Bill No. C-10 to amend the Canada Elections Act (voting at advance polls).

Motion agreed to and bill read the first time.

AMENDMENT TO PROHIBIT PUBLICATION OF STRAW POLL RESULTS

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-11 to amend the Canada Elections Act (publication of straw poll results).

Motion agreed to and bill read the first time.

AMENDMENT TO PROTECT VOTING RIGHTS OF INDIANS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-13, to amend the Canada Elections Act.

Motion agreed to and bill read the first time.

BRITISH NORTH AMERICA ACT

AMENDMENT RESPECTING READJUSTMENT OF REPRESENTATION IN THE HOUSE OF COMMONS

Mr. D. M. Fisher (Port Arthur) moved for leave to introduce Bill No. C-14, to amend the British North America Acts, 1867 to 1952, with respect to the readjustment of representation of the House of Commons.

Motion agreed to and bill read the first time.

Inquiries of the Ministry

FISHERIES IMPROVEMENT LOANS ACT

MEASURE TO PROVIDE FOR EXTENSION OF LEGISLATION

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

That it is expedient to introduce a measure to amend the Fisheries Improvement Loans Act to extend the application of the act from the 12th day of December, 1958 to the 30th day of June, 1962.

Motion agreed to.

(Translation):

CANADIAN BROADCASTING CORPORATION

MONTREAL—SUGGESTED INTERVENTION OF MINISTER IN LABOUR DISPUTE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I wish to direct a question to the Minister of Labour (Mr. Starr) concerning the current dispute between Montreal television producers and the C.B.C., a dispute which is crippling the whole national French network.

Does not the minister think that he should, in all fairness, intervene in this dispute, according to section 56 which states that, when the minister thinks it appropriate, he may, upon request or on his own, conduct or order an inquiry.

Under the circumstances, and in view of this statement and of this section, may I ask the minister if the present dispute—

(Text):

Some hon. Members: Order. Sit down.

Mr. Speaker: Order. I think the hon. member has completed a question, but I should like to ask him to give his assurance that this is not the same question which was asked on Friday, before I give the minister the floor.

Mr. Chevrier: No, Mr. Speaker, it is not the same question. This question is based on the wording of section 56(1) which I have just put on *Hansard*.

(Translation):

And, coming to the question itself, I wanted to ask the minister if, notwithstanding the section that I have just quoted, he still claims, as he did last Friday, that he is not allowed to intervene in the dispute.

(Text):

Hon. Michael Starr (Minister of Labour): Mr. Speaker, in reply to the question asked today by the hon. member for Laurier, may I point out that even though he claims it is not similar to the one he asked on Friday, the answer is still the same.

Inquiries of the Ministry

COMBINES INVESTIGATION ACT

ZINC—INQUIRY AS TO RECOMMENDATIONS OF COMMISSION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I have a question I should like to pose to the Minister of Justice. I wonder if the minister could indicate what steps are being taken by the department or by himself with respect to the recommendations of the restrictive trade practices commission regarding the Zinc Oxide Company of Canada Limited and the Hudson Bay Mining and Smelting Company Limited?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I thank the hon. gentleman for giving me notice of his question. In reply I wish to advise him that counsel has been retained and the matter has been referred to him to examine the evidence and report as to his opinion concerning whether or not the evidence warrants prosecution. We are expecting to receive the opinion shortly.

Mr. Howard: May I ask a supplementary question, Mr. Speaker. Could the minister indicate who is the gentleman he has retained as counsel?

Mr. Fulton: Mr. Speaker, I wonder whether the hon. member would mind if I take notice of his question. I am not aware of any objection, but I would like to make certain that at this stage it would be proper for me to disclose the name of counsel.

Mr. Howard: Yes. I would like to point out that indications given in the press—

Some hon. Members: Order.

Mr. Speaker: Order.

BRIDGES

MONTREAL—STATEMENT ON CLOSING OF TRAFFIC LANES DURING ALTERATIONS

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Friday last the hon. member for St. Ann (Mr. Loiselle) inquired about vehicular traffic on the Victoria bridge when changes to the structure have to be made in connection with the St. Lawrence seaway.

The management advises me that the St. Lawrence seaway project has necessitated certain structural changes to Victoria bridge to provide an alternative route for traffic so that it will be completely independent of vessel movement through the St. Lambert lock. Every effort is being made to co-ordinate, program and accelerate the work so as to minimize inconvenience to the travelling public. Beginning in May the downstream roadway will be closed to vehicular traffic for a period of eight to ten weeks. A double shift of workers will be employed on the construction to reduce the length of time the roadway will be out of service. Work on the upstream roadway will not begin until about April, 1960.

During the construction periods, in order to reduce delays, one-way traffic will be operated on the bridge between the hours of 7 and 9 a.m. and 4 and 6 p.m. The earlier hours will be reserved for Montreal-bound traffic and the evening hours for St. Lambert-bound traffic. It will be noted that one roadway will remain open at all times and the plan outlined is aimed at reducing the temporary inconvenience to a minimum.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask a supplementary question arising out of the minister's statement. In view of the fact that the work with reference to the railway aspect of the bridge is not nearly as urgent as that with reference to navigation, will the minister be good enough to ask the Canadian National Railway officials to delay this work until after the construction of the Champlain bridge?

Mr. Hees: Well, I will speak to the management and see whether that will be possible.

SHIPPING

(Translation):

MONTREAL—INQUIRY AS TO WINTER NAVIGATION

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, I wish to direct a question to the Minister of Transport (Mr. Hees).

Could the hon. minister state if his department has decided to maintain winter navigation between Quebec city and Montreal?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, may I take this question as notice? I will give an answer in French tomorrow.

(Text):

POWER

COLUMBIA RIVER—INQUIRY RESPECTING AGREEMENT BETWEEN CANADA AND THE UNITED STATES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National

Resources. I apologize for my repetitious use of the words "in view" occasioned by my usual desire for procedural exactitude.

In view of the release given to the press by the Minister of Public Works on December 5, 1958 to the effect in part—

> Steps are to be taken at once to complete an agreement with the United States which will make possible the co-operative development of the river based on co-ordinated operations but retaining Canadian ownership and control of projects built on the river in Canada.

—and in view of the repeated statements by the premier of British Columbia with respect to this Columbia river development, and in view of the tremendous importance of this question to the people of British Columbia, will the minister inform the house of the progress to date with respect to agreement between Canada and the United States on this important question?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I wish to thank the hon. member for Kootenay West for having given me notice of this question. In reply I should like to say that in the latter part of last year the Canadian government concluded that so far as it could see the development of the Columbia basin which offered the best hope of more and cheaper power for Canada and the United States would be one resulting from a co-operative development of that basin.

Accordingly, as stated on December 5, 1958, steps were immediately taken toward negotiation of an agreement with the United States for the co-operative development of the water of the Columbia river. Discussions are now taking place between United States and Canadian officials with a view to expediting this matter. As negotiations are in train, it would not seem proper to say anything further about them at this time. In the meantime, officials from my department are discussing technical engineering aspects of the Columbia river development with officials of the British Columbia government.

(Translation):

DOMINION—PROVINCIAL CONFERENCE

INQUIRY AS TO CALLING OF CONFERENCE ON FISCAL MATTERS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I wish to ask a question of the Prime Minister. Could he state whether he intends to call a conference on fiscal relations with the provinces during the present session of Parliament, or before the end of the current year 1959?

(Text):

Right Hon. J. G. Diefenbaker (Prime Minister): I have nothing to say in that regard at the moment except that on January 15 I directed a letter to the premiers of the various provinces, which I might be allowed to read:

> The speech being read by His Excellency the Governor General at the opening of parliament today contains two paragraphs which are of direct interest to provincial governments. I am therefore writing to advise you of them and to ask your co-operation in regard to the proposal in the second. They are as follows:
>
> "My government will recommend an amendment to the Federal-Provincial Tax Sharing Arrangements Act to extend for another year the increase made last year in the provincial share of personal income tax revenue.
>
> My government proposes that the entire subject of financial relations between the dominion and the provinces shall receive continued active co-operative study. All provincial governments are being asked to agree to the use, for this purpose, of the machinery of the existing federal-provincial continuing committee on fiscal and economic matters working under the direction of a committee consisting of the Minister of Finance and all provincial treasurers."
>
> The Minister of Finance will communicate with your minister of finance with a view to arranging a meeting of the proposed committee of ministers.

Mr. Martin (Essex East): That means there will be no conference.

LIVESTOCK

RABIES—INQUIRY AS TO CONTROL AND COMPENSATION

On the orders of the day:

Mr. A. D. Hales (Wellington South): I should like to ask the Minister of Agriculture what steps his department is taking to curtail the increasing spread of rabies disease, and if he would consider seriously paying compensation for those animals lost. In my riding this dread disease has reached alarming proportions, and the number of cases is very serious.

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, all reported suspected cases of rabies are fully investigated. Exposed animals are quarantined, and where human exposure has taken place medical authorities are immediately advised and given full details. All diagnostic work in connection with animal rabies is handled by the department's animal diseases research institute laboratories. Dog control problems are discussed with municipal authorities, who are urged to establish appropriate control measures. In infected areas free rabies vaccination clinics are held for all pets. Since April 1, 1958, 17 counties of Ontario have been covered by 333 free rabies vaccination clinics at which 92,000 dogs and cats have been vaccinated.

This control work, including the investigation, quarantine and free vaccination clinics, has prevented rabies from becoming established in the dog population to the point where there has not been one case of dog to dog transmission during the current outbreak. This is important as human exposure is usually through dogs.

The reservoir of rabies is established in the wild fox and, as peak fox populations are reached, the incidence of rabies rises proportionately. In order to aid in the destruction of foxes the Ontario government is supplementing various fox bounty programs. Departmental veterinarians supplement regulatory control measures with appropriate publicity and educational programs.

The Animal Contagious Diseases Act provides for the payment of compensation only when animals are ordered destroyed. This authority is provided to prevent the spread of animal diseases. The spread of rabies is dependent upon the introduction of the causative virus of the disease into the flesh of an animal, principally through biting by an infected animal. Because of this mode of transmission the spread of rabies cannot be prevented by ordering the destruction of infected or exposed cattle.

Compensation is normally paid for two classes of diseases, first, when it is necessary to destroy infected and exposed animals to stop the spread of serious animal diseases. Examples of this are foot and mouth disease and hog cholera. Second, compensation is paid in eradication programs for established diseases such as tuberculosis and brucellosis where there are adequate test procedures to identify infected animals. In order to curtail the spread and eventually eradicate such infection, these infected animals are ordered destroyed and compensation is awarded.

The nature of rabies, together with the lack of any diagnostic procedure to confirm the disease in living animals, does not support the destruction of cattle as a disease control measure.

HARBOURS

PICTOU, N.S.—REQUEST FOR USE OF ICEBREAKER

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Minister of Transport. Has the minister or his department received any representations to send an icebreaker to clear heavy ice off Pictou harbour in order to permit the shipping of prefabricated buildings from the New Glasgow plant of Eastern Woodworkers Limited and prevent a possible slow-down in operations? If so, what action is being taken in this regard?

[Mr. Harkness.]

Hon. George H. Hees (Minister of Transport): Mr. Speaker, we received such a request, but the ice conditions in Pictou harbour are so severe that it would take two of our biggest icebreakers to perform the task. For the reason that our icebreakers are very heavily committed at the present time, we have suggested other means of moving the goods to the people concerned.

Mr. Robichaud: At extra cost to the company concerned.

THE ROYAL FAMILY

REPORTED INTENTION TO PUBLISH INTIMATE ACCOUNT OF ACTIVITIES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Prime Minister related to the announcement by the Toronto *Star* that it is to publish an intimate revelation of the activities of the royal household. Has the government considered any action analogous to that taken by the crown in Britain whereby the right of a British paper to publish this particular account has been challenged in the law courts?

Right Hon. J. G. Diefenbaker (Prime Minister): The answer is no.

TRADE

RUSSIA—REQUEST FOR STATEMENT RESPECTING EXTENSION OF AGREEMENT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. Can the minister report the state of negotiations with the U.S.S.R. for the extension of the Soviet-Canadian wheat and trade agreement? Can the minister say whether the past quantity of approximately 15 million bushels a year may be provided for?

Hon. Gordon Churchill (Minister of Trade and Commerce): I thank the hon. member for giving me notice of his question. The present Canada-U.S.S.R. trade agreement, which includes a commitment by the U.S.S.R. for the purchase of a minimum of 400,000 tons of wheat from Canada each year, or approximately the 15 million bushels mentioned, expires at the end of February. Preliminary discussions between officials of both countries are currently under way in Ottawa looking to a renewal of the trade agreement. We continue to attach great importance to wheat among the commodities which we wish to export to the U.S.S.R. Although I am hopeful that a satisfactory agreement will be reached,

I am not in a position to make any predictions about the outcome of the negotiations now under way.

NATIONAL DEFENCE

REPORTED SITE FOR BOMARC ANTI-AIRCRAFT MISSILE BASE

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of National Defence. While I recognize that it may not be desirable to give out precise locations of certain types of defence installations, having in mind the importance of the subject matter is the minister now in a position to confirm the Canadian Press story published from coast to coast last week that one of the two Bomarc anti-aircraft missile bases to be established in Canada is to be located near North Bay?

Hon. G. R. Pearkes (Minister of National Defence): I thank the hon. member for sending me notice of his question, and would reply that several sites in northern Ontario and Quebec, including that mentioned by the hon. member, have been surveyed and soil analyses taken for various defence projects. Until all reports have been received and studied no decision can be made. In any event, it has never been the practice to announce the exact location and purpose of such defence installations.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, January 16, consideration of the motion of Mr. W. H. Jorgenson for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Hon. L. B. Pearson (Leader of the Opposition): In rising to take part in this debate, Mr. Speaker, my first words as the house would expect, must be those of congratulation to the mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address in reply. I say this very sincerely indeed. It seemed to me that the mover, the hon. member for Provencher, spoke thoughtfully, with restraint and with as much objectivity as one could expect in a situation of this kind. I do congratulate him very sincerely for what was a good initiation of this debate.

I should like also to congratulate the hon. member for Montmagny-L'Islet, especially since this was his maiden speech. He spoke with conviction and with eloquence, and in the concluding part of his speech made an appeal for national unity which I think moved every member of this house. I think, and I am confident, that every member of this house of every party is inspired by the same ideal of national unity to which the hon. member made such eloquent reference.

Perhaps, Mr. Speaker, I may be allowed also on this occasion to congratulate the Prime Minister (Mr. Diefenbaker) on his return to Canada in full health and vigour from a world tour which must have been to him as stimulating and valuable an experience as it was, I am sure, exhausting. We remember, Mr. Speaker, how great a strain such a tour was on his predecessor, Right Hon. Louis St. Laurent. Mr. St. Laurent, of course, made his tour after the wear and tear of six years as prime minister which were bound to make the physical stresses of such a tour even greater than they would otherwise have been. The speech from the throne makes a reference to the Prime Minister's visits throughout the commonwealth, and I have no doubt we will be receiving from him, perhaps as he follows me, a report of this trip, which in the words of the speech from the throne served to vitalize our close relations with the commonwealth.

I, Mr. Speaker, intend to use the speech from the throne on this occasion, as the house would expect me to do, to survey and criticize some aspects of government policy. Obviously I cannot cover that very broad field on this occasion, but there will be other opportunities. Today, though I am afraid I shall be speaking at some length, I shall still be selective. The speech from the throne is a list of government proposals and a not very subtle praising of government policy put in the mouth, as is customary, of Her Majesty's representative in Canada by the government of the day which takes the responsibility for the substance of the speech. It gives a most misleading impression, in some cases by giving no impression at all, of the state of the nation in January, 1959, with a very perfunctory reference indeed to some of the most difficult and dangerous situations that have confronted this country for many, many years. You would never know it, Mr. Speaker, from the words used in the speech from the throne.

As was the case last year, the speech is more understandable for what it leaves out than for what it contains. Mr. Arthur Blakely, the columnist for the Montreal *Gazette*, commenting on the speech the other day referred to the unmentionables that did not appear in it. They are not unmentionables, Mr. Speaker, but they were certainly unmentioned. We on this side of the house, Her Majesty's loyal opposition, propose to mention them during the course of this debate. I begin the process of repairing that omission right now.

The speech begins by a reference to the forthcoming visit of Her Majesty and Prince Philip. As I said the other day, when the Prime Minister mentioned this matter, I am sure we all, on every side of this house, share in the pleasure of this forthcoming visit, and we will participate in the welcome the Canadian people will be delighted to give Her Majesty and Her Majesty's consort. Perhaps at this point I might mention Prince Philip's short visit last autumn. Though it was a short and crowded visit, he managed at that time to visit Springhill and to express on that occasion the shock and grief that all Canadians felt at the disaster which had struck that coal mining town, a disaster which also filled us all with admiration at the indomitable courage shown by those people who were again stricken. The sympathy of all Canadians has gone out to that community, which I once ventured to refer to as "this George Cross community". However, sympathy alone will not be enough. It must be converted, by this parliament, into action which will restore and maintain the economic life of this community.

Then, Mr. Speaker, the speech has a few paragraphs devoted to international affairs. There will, I hope, be an occasion soon to discuss these matters more specifically, because the state of the world at the present time, and the relations of Canadians to that state, would seem to me to warrant as soon as possible a debate on the international situation. The references to that situation in the speech from the throne are so general indeed as to mean very little in relation to the concrete problems that face us, and Canada's position in respect to them.

There is a reference made, of course, to the need for enduring peace. We all appreciate that. It is perhaps realistic to say that during the year there has been little progress, unfortunately, in realizing that need for enduring peace. Certainly the evidence of progress in this regard which is given in the speech from the throne is rather unimpressive. There is some reference to progress in the field of disarmament, but the only illustration given of that progress is the drafting of an agreement for discontinuance of nuclear weapons tests, which is referred to as a hopeful beginning. I take it, Mr. Speaker, that that is the drafting of the technical agreement by the conference of experts at Geneva; but when that technical agreement was discussed on a political level it soon became apparent that it was far easier to reach that kind of technical agreement than it is going to be to reach political agreement, without which technical agreement does not mean much.

There is also in the speech from the throne reference to the desirability of some form of international agreement for the control of outer space. As we look ahead now into dimensions which were hardly considered a year or so ago, I agree that there could be nothing much more important facing us internationally than the persistent and constructive effort made by the United Nations —which is perhaps the only place where it can be made—to bring this new dimension of time and space under some form of international control before the opportunity escapes us. The Secretary of State for External Affairs (Mr. Smith) and those of his colleagues who worked so hard for Canada at the recent assembly of the United Nations, I think will agree with me that the effort which was begun at this assembly to reach that objective does not warrant—and I am trying to put my words in a responsible way—too much optimism that it is going to be easy to achieve. We on this side of the house will wish them well and will support them in every possible way in any endeavour they can pursue to bring about this result.

As has so often been said in the house, these over-riding questions of peace and war must, if we can possibly bring it about, be discussed and decided in this house on as non-partisan a basis as possible. That does not mean that we shall not have disagreements, because we shall; and I will mention some of them, perhaps, before I finish this afternoon. But we must always at least try to agree, and I am quite sure that we shall be able to agree on objectives even if we are not always able to agree on methods. If we and our friends cannot settle these over-riding questions, as I have called them, of peace and war, none of the other things which I am going to mention this afternoon, immediately important as they are, in the long run matter very much.

I now want to mention some of the domestic problems, questions and issues which arise in our consideration of this speech from the throne and the attitude or lack of attitude of the government toward these problems. This government has now had about a year and seven months in which to show what it can do. It is a time long enough for its method and its manners to become clear, if not its policies. In our view on this side of the house it has shown a genius not for following a straight and steady course but for confusion and contradiction, for wavering instability and, if I may add, a determination to lean positively on one man and negatively on the previous government. Its oscillating and uncertain moves, its lack of steadiness and sureness—and I will have a great deal of

documentary evidence to support that statement this afternoon—are in startling and depressing contrast to the vigorous, confident and crusading words which used to pour, if at times a little bit incoherently, from the mouths of its members.

We think now of the ringing declarations of the electoral campaigns, the massive undertakings given so carelessly then to every section of the country and every category of people. We think now of the promises tossed about in those carefree days with such reckless abandon but of which they are now the prisoners. They were promises that ranged all the way from immunity from suffering caused by unemployment to the liberation of the subject peoples of eastern Europe; promises easier to make than to keep, as the hon. member for Restigouche-Madawaska (Mr. Van Horne) reminded them recently in a most interesting broadcast he gave in his constituency. I do not know whether or not that broadcast has resulted in his translation from his former seat in the house to his present one at the far end of the chamber.

An hon. Member: He is now in the front row.

Mr. Pearson: We think also of the violent and unrestrained attacks by hon. members opposite in those days on the previous administration for budgetary surpluses, for anti-inflationary measures, for those fiscal and trade and monetary policies which helped to make Canada's economy in those days the envy of the world.

As you will remember, Mr. Speaker, all that was to be ended. It was ended, but not in the way my hon. friends hoped. Taxes were to go down; services were to stay up. How? It was to be done out of the half billion dollars or so which could be saved by eliminating waste and extravagance. Social security payments, provincial grants, farm prices, wages, employment, Canada's prestige in the world, all these things were to go up, without the value of a dollar going down, or, perish the thought, without any trace of that terrible tight money policy, a legacy from the Liberals.

What have we now, Mr. Speaker? This debate will begin the process of making that matter clear and revealing the truth behind the rosy but fanciful words in so many statements issued by members of the government as they greeted the new year. In truth, things are now very different indeed from the vision of Paradise Regained so joyfully proclaimed by the Tories on April Fool's day less than a year ago. Confusion and contradiction, bumbling and fumbling, are the most noticeable features of the activity of the present government, as I hope I shall be able to show in a way which will perhaps convince even some hon. members opposite.

Most of the evidence I shall produce bearing on this statement will deal with economic, financial and defence matters. But there is one matter on which I should like to touch first. As hon. members know, we now have before us a draft bill of rights. It deals with the subject of human rights, in the protection and promotion of which I am sure everyone in this house without exception is united, though we may have strong differences of opinion as to how this can best be done. Certainly no Liberal can be anything but a champion of the rights and liberties of the free man against dictates and pressures, from whatever source they may come. That is what Liberalism has meant through all the years and in all countries; it has fought unjust privilege and power, and in no country more vigorously or more effectively than in our own. The whole record of Canadian history is proof of that fact.

This bill has also now been given a first reading in this house and, indeed, a second reading by public opinion in the country. Its provisions have been scrutinized by a great many highly qualified people with no political interest, in a partisan sense, to disturb their objectivity, and in its present form it has been found wanting. Third, Mr. Speaker it is now clear even from the consideration which has already been given to this bill that in its present form it will not do, just as I hope it is clear that any bill passed on this fundamental matter should in all its terms receive the broadest and most non-partisan support possible in this house.

I hope, therefore, that this draft bill, this bill which was given first reading, may be sent to a joint committee of both houses, as was done previously when this matter was under consideration, so that a report with recommendations can be returned to us by that committee.

Mr. Diefenbaker: When was the bill under consideration before? When was a bill under consideration before?

Mr. Pearson: The right hon. gentleman knows perfectly well that this matter has twice in recent years been referred to a joint committee.

Mr. Diefenbaker: This matter.

Mr. Pearson: What I have said is that this bill, which raises the whole question of how this can possibly be done, should be referred to a joint committee so the committee may report and make recommendations which will enable this house and this parliament to take

more effective action for the purpose we all desire to achieve than we could ever hope to take through the particular bill which is before us now. I make this proposal in the hope that it may commend itself to the government, and in the hope that this matter may receive broad and non-partisan support in this and in the other house.

I wish now to say a few words, or indeed more than a few words, about the economic picture as it faces us in this country today. It is a picture of recession and unemployment. It is a picture also of inflation and rising prices becoming more and more dangerous. It is, thus, a picture which reflects a dual danger. I do not think it is an exaggeration to say that we are facing the most serious situation since the end of world war II, and perhaps the Minister of Finance will agree with me in this respect.

The Minister of Justice in a speech made a couple of weeks ago, showed once again that this government, which took office in June of 1957, is still hoping in January, 1959 to transfer the blame for its own sins of omission and commission, for its own inadequacy, to the policies of the previous government. No doubt the Prime Minister when he follows me will try to do it too in his usual vigorous, rhetorical way. No doubt he will say, "What did you do in 22 years?"

Mr. Churchill: That is right; what did you do?

Mr. Pearson: I can answer that. It is a good question, and it does not embarrass me a bit. This device has been used by the Prime Minister just to get himself off the hook. He no doubt will say, "Your policies are to blame for everything; we are struggling gallantly against this vile inheritance."

An hon. Member: Hear, hear.

Mr. Pearson: Somebody says "Hear, hear". I will have some reference to make to this "vile inheritance" in a moment. However, while the Minister of Justice talked as he did, and as the Prime Minister will be talking soon, the Minister of Trade and Commerce in his year-end review argued that our present economic problems—and I quote—are "due to international causes". And the Prime Minister said himself, when he made his report over the air on December 21, that they are part of—and I quote again—"a world-wide economic slow-down". Hon. gentlemen opposite had better make up their minds what is the source of this trouble. I am sorry that business has taken the Minister of Justice out of the house, because I do not like to refer to him in his absence.

An hon. Member: Here he is.

[Mr. Pearson.]

Mr. Pearson: I am very sorry indeed to deprive the Minister of Justice of that cigarette.

Mr. Fulton: Just finished it, anyway.

Mr. Pearson: No doubt the minister in his speech the other night at the Chateau Laurier had the young Conservatives pale with agitation at the distressing picture of the awful mess inherited by this government.

An hon. Member: Hear, hear.

Mr. Pearson: The hon. gentleman says hear, hear—

An hon. Member: The Beacon Arms.

Mr. Pearson: Very well, the Beacon Arms. Now, as to this "awful mess", how did the associate deputy minister of trade and commerce describe it last November 10? The associate deputy minister of trade and commerce holds an appointment made since the election by the right hon. gentleman himself; he is a gentleman—and I say this in no political sense at all—who is very friendly indeed to the present government at this time, and this is how this appointee of the government, the associate deputy minister of trade and commerce, described the "awful mess" inherited by the government. These are his words:

> The 1950's have been years of tremendous development in Canada. In the seven years from 1950 to 1957—

I am amazed that he stopped at 1957; I hope he has not lost his job because of it.

> —Canada's gross national product rose from $18 billion to $31.5 billion, an increase of 75 per cent and in our last boom period of 1955 and 1956, the Canadian economy experienced the most rapid increase in over-all physical output yet achieved in the post-war period.

Well, that is the situation which hon. gentlemen opposite inherited. Perhaps the Minister of Justice ought also to be reminded of the words used by the Minister of Finance in Toronto a year before that, not long after the inheritance was so joyfully received. This is what the minister said not long after this "awful inheritance" was received:

> If this is a national emergency, all I can say is that practically every country in the world would like to have a national emergency like it.

So the national emergency had begun to appear after November, 1957. This desperate device of trying to blame everything on the Liberals has become stale and worthless, and perhaps gentlemen opposite could discard it from now on. Even if their charges were true, and of course they are false as I have shown from the mouths of hon. gentlemen opposite—

Mr. Fleming (Eglinton): You have not.

Mr. Pearson: —the government has now had more than a year and a half to do something about them.

Mr. Fulton: And we have.

Mr. Pearson: They will be judged by their actions—

Some hon. Members: Hear, hear.

Mr. Pearson: —in the last year and in the year ahead, and not by ours ten years ago. I am sure they would like to be judged by our policies ten years ago, but it will not work.

Mr. Pearkes: That judgment has been handed down.

Mr. Pearson: Since the present government insists on continuing to condemn the policies of the previous administration we should perhaps recall what the policies were. It might help the government to follow the right policies in the future; and I offer a review of the policies of the previous administration, as Mr. Humphrey Mitchell used to say, "in a kindly way".

While we were in office, Liberal fiscal, monetary and economic policies were sound, steady—and steadiness is pretty important—flexible and successful. They made it possible for this country to combine startling economic expansion and reasonable monetary stability. They were indeed a contrast to the rock and roll actions of the present government, and as I have already said they helped to make Canada the envy of the world. The previous administration did not hesitate to budget for a deficit when there was a threat of recession. We did not hesitate to tax for a surplus when inflation was the greater danger. How hon. gentlemen opposite roared when they were in opposition, and during elections, against the inequity of a surplus and the immorality of an unbalanced budget, but what they would give now for some of that inequity and some of that immorality.

Mr. Pickersgill: And some of that surplus.

Mr. Pearson: We had then an amazing prosperity in this country with inflation held in check. Indeed, for four and one half years after 1952—and before 1952 because of rearmament in this country and the Korean war, prices did go up but I also know and the figures will show it was not nearly as bad as it is now and is going to be unless the policies of the present government change—

Mr. Fleming (Eglinton): How can you say such things?

Mr. Pearson: But I also know that for four and one half years after 1952 in a period of great and booming national development there was practically no change in the cost of living. I also know that in the middle of 1956 the cost of living really began to go up. When we were in power at that time and took steps through credit restrictions and budgetary surpluses to meet that danger, what was the attitude of hon. gentlemen opposite who formed the opposition of that day? They sneered and jeered at us. And then during the summer of 1957, when the signs of a parallel and serious danger from recession also became clear, what was the new government's attitude toward that danger? Its approach was to get ready for the next election.

This meant in the fall session of 1957 a flat refusal to produce a budget or give a national accounting. It meant also that these people who were later to charge us with ignoring and concealing the recession and with responsibility for it, at that time refused to admit that there was anything seriously wrong. They accused us of exaggerating, for instance, the seriousness of the developing unemployment problem, a charge which now rings hollow and purely partisan. They charged us with not recognizing the recession when it did not exist, those men who later could not see it when they were in the middle of it.

It was only after January 1958, a year ago, when they could not escape the danger any longer that they did admit the recession did indeed exist. But they were far more interested then in distorting and exploiting the facts in order to pin responsibility for it on the Liberals than in doing anything effective to meet it. They alternated between blaming us for the trouble and assuring the electorate that the trouble was not there.

Finally, after the election in June of 1958, the Minister of Finance reluctantly gave an honest account of the recession and its origin. But this was after the election. But at that time he did not give nor did the Minister of Labour (Mr. Starr) or the Minister of Trade and Commerce (Mr. Churchill) give, a true picture of business and employment as it was likely to develop in the next year. Indeed, in his budget speech in June of 1958—and not until then, did we get a national accounting—the Minister of Finance had no hesitation, he said, in budgeting for a gross national product of $32 billion or 2 per cent above the previous year and, I quote from his speech, "assuming normal crops and stable prices." And now the minister has the effrontery to claim that his forecast is being confirmed.

Mr. Fleming (Eglinton): Exactly.

Mr. Pearson: He has the effrontery to make this claim although any increase in the gross national product will be due entirely to higher

prices, according to the bureau of statistics. The minister should know that. If prices have gone up by more than 2 per cent and the gross national product has gone up only 2 per cent, where is the increase? "Subject to stable prices," he said. Why does the minister continue to make these statements which have no relation to the economic facts?

Mr. Martin (Essex East): Wholly irresponsible.

Mr. Churchill: You ran away from it all last year.

Some hon. Members: Oh, oh.

Mr. Pearson: Hon. gentlemen opposite can laugh now at the situation I am attempting to describe, but it is one that requires action, not laughter.

As for employment, we propose to give the facts in this regard in so far as they are available to us, and we are not going to be deterred now as we were not deterred last year by the rather childish charges on the part of hon. gentlemen opposite that in doing so we are spreading gloom and doom. We are spreading facts, something we cannot obtain from hon. gentlemen opposite.

Misleading statements have been and are still being made to obscure the seriousness of the picture. If you relied on the speech from the throne for information about this problem you would be justified in concluding that it did not exist. This omission is consistent with the statements and attitudes of members of the government, and fits in with the Prime Minister's extraordinary electoral declaration that as long as he was prime minister no single Canadian would suffer from unemployment.

A year ago, before the election, the country was being told that the situation was much better and soon all would be well. The Prime Minister assured the people of this country last March that in regard to unemployment—and I quote from one of his speeches—"we have gone over the top and are on the way down." But the Minister of Labour in December 1958, speaking in another election—but it was a by-election—could only tell people on that occasion, though he was more optimistic in some of his other references, that by the middle of next year, 1959, "we will be well out of the woods." In other words, last March we were on the way down into the woods, and we are still in the woods and we are waiting for some indication from the government as to how to get out of them.

Here is another before and after contrast in the words of hon. gentlemen opposite, Mr. Speaker. The Minister of Labour again speaking in Winnipeg on March 5, 1958 said—and I quote from the press account of his speech:

> It is our duty to see that no Canadian suffers a single loss of a job this year.

Well, how many Canadians have lost their jobs this year? The minister said the other day—and indeed he repeated the encouragement of some of his colleagues in similar statements; this is certainly quite a retreat from last spring—that the situation would not be worse than last year. If that is the best we can hope from a government which talked so cheerfully a few short months ago about being over the top, and about the crisis of unemployment being over, where is that great billion dollar public works program which, just about a year ago, we were told, was going to put so many people to work. Remember, that was an emergency employment program, not a development program. As such it was put forward to the Canadian people for electoral purposes in eloquent and even evangelistic terms. As such it was criticized by us, as an employment program, as the greatest political hoax in our history, which it was.

Perhaps we will learn in due course exactly how many men have been put to work under this program, especially in the Arctic, by this billion dollar braggadocio. But, said the Minister of Trade and Commerce in his press conference performance a couple of weeks ago:

> Employment is up, even if unemployment is up also.

Well, it certainly should be but it is not, at least according to the last figures. This was the question addressed to the minister by the chairman of this panel:

> But there are still more Canadians out of jobs, walking the streets today—or at least in November—than there were in November a year ago?

This is taken from a verbatim report of the press conference, and it was taken down as it was reproduced over the air. I continue:

> Mr. Churchill: And there were more Canadians employed in November of fifty-eight than in November fifty-seven.

The chairman, who was Mr. Fraser, said:

> The number of employed was a bit lower.
> Mr. Churchill: Well, we haven't the figures in front of us here and I'll accept your word for it.

We have the figures here, Mr. Speaker, the cold, official figures. During the first eleven months the number of unemployed seeking work, in relation to the total labour force, was on the average 61 per cent higher than in the preceding year, which is pretty close to the forecast of 67 per cent made in the so-called hidden report of last year. What is perhaps even more impressive is the fact

that during the first eleven months of 1958 total employment was lower than in 1957 on the basis of a month to month comparison except in one month, namely April. Indeed, average total employment for the eleven months was 27,200 below what it was in 1957. I suggest that before he goes on the air again the minister get his facts straight. If he wants them we shall be glad to give them to him.

Moreover, Mr. Speaker, the problem of unemployment will continue to be serious during the coming months. In 1958, on the average, about 6.5 per cent of the labour force in this country was unemployed and seeking work. In 1959 our labour force should increase by about 2.5 per cent. This means that on the average approximately 9 per cent of our labour force will be unemployed unless the volume of our national production increases. Therefore a rapid upsurge in that production will be required in 1959 to reduce the volume of unemployment to what is considered a normal level. The economic outlook for 1959 presented by the ministers does not contemplate any such rapid pick-up.

On that basis, therefore, we can expect—no one gets any pleasure out of saying this—that unemployment will remain a serious problem in 1959. Yet the speech from the throne barely mentions the problem; it shows no realization whatsoever of its seriousness as a human as well as an economic problem. Because of the seriousness of this problem I would hope that the Prime Minister would consider interrupting this throne speech debate and producing at once in this house the measures which the government proposes to put forward to deal with this matter. The throne speech debate is important, but it can be postponed so that we can receive at once, without delay, the government's proposals to deal with this serious and continuing problem and all the matters that will be related to it.

So much for the unemployment aspect of this problem. What about the parallel danger of inflation, which was also barely mentioned in the speech from the throne? That danger, Mr. Speaker, with all that it means to the welfare of every man and woman in this country, is becoming more and more serious. The consumer price index rose from an average of 121.9 in 1957 to 126.2 in December of 1958, a 3.5 per cent increase, not in a time of boom and development but in a time of recession.

In one year, Mr. Speaker, the old age pensioners have lost about $2 of the $9 increase granted them by this government, and soon that increase will all be gone. I can see the Prime Minister scribbling away. I know what he is going to say. He is going to say, "You did not grant them $9; you gave them $6." The Prime Minister gave them $9, but they are going to lose it all before the next election.

Mr. Starr: Is that a hope on your part?

Mr. Pearson: Certainly it is not a hope, but it is a calculation based on facts, and it is a warning to the government to do something about it.

Mr. Starr: You said it with glee.

Mr. Pearson: If my hon. friend and his government will do something about the cost of living then perhaps the possibility will be avoided. If they do not, in the light of what happened last year, and if that continues, what I have suggested unfortunately may come to pass, will come to pass.

Mr. Starr: Why do you not offer something constructive, then?

Mr. Pearson: That is your job.

Mr. Starr: You have not got anything; you did not have anything in 1954 and in 1955 and you have nothing today.

Mr. Pearson: I would remind my hon. friend that he now belongs to the government, and under the British system of parliamentary responsibility the government of the day is responsible for making proposals to deal with this matter. I, Mr. Speaker, am pointing out the facts of the situation, which the members of the government apparently do not understand, in the hope that if they get possession of the facts perhaps they will do something about correcting it.

Mr. Green: Have you any proposals?

Mr. Pearson: Have you none?

Mr. Starr: You are just as empty as you ever were.

Mr. Pearson: Mr. Speaker, in the face of this serious situation the government seems quite unable to decide what to do or even to make up its mind which is the greater danger, inflation or recession. The Minister of Trade and Commerce (Mr. Churchill), however—and I must be fair to him—has certainly made up his mind. He saw fit to make this quite extraordinary statement, and I refer it to the Minister of Labour (Mr. Starr) too. He will find it interesting. Over the air on January 8 in the particular program I have already mentioned the Minister of Trade and Commerce was asked this question by the chairman of the press conference program:

> Now, which of these two, unemployment or inflation, do you regard as being the greatest threat to our economy during 1959?

The minister replied:

I don't think either will be a threat to our economy in 1959.

Mr. Churchill: I am an optimist.

Mr. Pearson: The minister certainly is an optimist. The Minister of Finance (Mr. Fleming), in his speech in Toronto on January 5, 1955, took about the same attitude. He did, of course, mention the fear of inflation but he went on to say, and I quote from the text of his speech:

Inflation has been defined as "too many dollars chasing too few goods."

In the present circumstances, in the light of the experience of recent years, I wonder how many of his experts in the Department of Finance would agree with that as a definition of inflation?

Mr. Fleming (Eglinton): Go on. In fairness, read the rest of it.

Mr. Pearson: I am going to read it. The minister went on to say:

There is, however, certainly no scarcity of goods in Canada. The problem with respect to most products and commodities is that we have surpluses of them.

That is right. He continued:

One would also expect to find inflation reflected in the wholesale price index. However, the general wholesale price index is the same as it was a year ago.

That is what the minister said. If he has his speech before him and will look at it he will find those words: "the general wholesale price index is the same as it was a year ago". Well, once again the minister is out in his mathematics and his economic calculations.

Mr. Fleming (Eglinton): Would the hon. gentleman read the next sentence?

Mr. Pearson: I am quoting now from bureau of statistics figures.

Mr. Fleming (Eglinton): Will you read the next sentence?

Mr. Pearson: I will be glad if the minister will read the next sentence if he has the text of his speech.

Mr. Fleming (Eglinton): The next sentence, referring to the present general wholesale price index, was:

It is also 16 points or 7 per cent below the 1951 figure.

That was when my hon. friend was in power.

Mr. Pearson: I am glad to have that on the record but the minister's statement that the general wholesale price index is the same as it was a year ago still stands. That is the statement he made and it has nothing to do with 1951. That statement is contrary to the facts. In December, 1957, according to the bureau of statistics figures, the index was 226.1 and in December, 1958, it was 229.1. Moreover, between October and November, 1958, it increased from 226.9 to 228.5. In announcing that increase the bureau of statistics said, and I quote from its report, not the minister's speech, that it was "the largest increase between these two months since 1950." Surely that is enough to make my words quite accurate that the minister's statement was inaccurate and misleading.

The Minister of Finance and the Minister of Trade and Commerce may not know it, but during this period of abnormal unemployment and of recession there is more and more anxiety being displayed and less and less confidence being shown in the stability of our dollar. Listen to what the president of the Royal Bank had to say on this point a couple of weeks ago. His viewpoint, which I suggest is shared by practically all non-political experts on this matter, is certainly not prejudiced against the government. He had this to say:

This chronic inflation is the greatest single threat to Canada's economic development.

I can hear hon. members opposite say, what would you have done about it? What would you have done about these things had you been in office? What would you have done about recession, unemployment and inflationary dangers? In 1945, Mr. Speaker, we made public a white paper on trade and unemployment. That white paper laid down the principles of economic and fiscal policy by which we were guided during the years when we were in office and which we followed with great success and good results. I ask if there is anything comparable to that guide from the present government.

Under the policy in that white paper which we would have followed—indeed, we mentioned this during the election campaign—there would have been a special budget introduced in September, 1957, with a planned and co-ordinated program of tax reduction to deal with the recession in its earliest stages, following the anti-inflationary measures that we had taken previously and which were condemned in such violent terms by hon. gentlemen opposite.

Perhaps the foremost United States economic expert in this field—I am sure the minister is familiar with his writings—is Dr. Arthur Burns. He has pointed out recently that government action in a situation such as that which we faced in the autumn of 1957 should be quick, co-ordinated, confidence-inspiring, flexible and adequate. These criteria

do not apply to anything that has been done by the government in this connection.

Mr. Fleming (Eglinton): Oh, such rot!

Mr. Pearson: The Minister of Finance does not like it. He will have the opportunity to get up in this debate and challenge the soundness of my conclusions and the soundness of the conclusions I am putting on the record from non-political economic and financial experts. Dr. Burns also stated—and this confirms the wisdom of the approach our party advocated—in an article he wrote in the *Reporter,* which is also included in a book he wrote entitled "Prosperity Without Inflation" —if my hon. friend has not read he should—that:

> The emphasis at the start of a recession should ordinarily be on the easing of credit conditions, later on tax reductions for both individuals and businesses, still later on re-scheduling of federal expenditure within totals set by long-term considerations and, only as a last resort, on large public works programs.

Elaborating on this in his article he went on to say:

> It may be useful to observe that a tax reduction would avoid some of the difficulties that often go with a public spending program. Both involve, of course, a deficit but it can make a considerable difference to our economy how the deficit is achieved. A broadly based tax reduction is likely to have prompt effects on private spending during a recession, while the effects of public spending may not come until the recession is over.

The president of the Royal Bank, whom I have already quoted, agreed with this and by inference condemned, as we condemn, the government's approach to recession and inflation when he said in his January statement:

> Last year, as in previous recession years and while the economy was still on the down grade, I urged tax cuts by government and price cuts by business. Instead of tax cuts last year which would have encouraged business activity while reducing pressure on prices, we got increased government spending. Instead of an immediate deficit last year, timed to coincide with the depth of the cycle, we find ourselves today with a delayed deficit which has timed itself to coincide with the present recovery and the emergence of a new inflationary potential.

Mr. Speaker, surely that is the answer to those who say that there would have been no difference between our approach to this problem a year and a half ago and that taken by the government. Those are the principles on which we would have operated and they would have been far more effective in the situation, I believe, than anything the government has tried to do. Anti-recessionary policy based on early tax reductions can be quickly adapted to changing conditions and altered when necessary with very little longterm inflationary effect when the recession ends. It puts the government in a position to balance its budget or to make a surplus as soon as conditions improve. It maintains confidence and minimizes the danger of inflation.

What did this government do? Had they any consistent views or principles or policies to deal with the situation? I suggest, Mr. Speaker, that they had not.

Having finally recognized, or some of them having finally recognized the dual and serious nature of the economic problems, they have tried to solve it in a confused, piecemeal, unsteady manner through policies economically unwise but politically, they hoped, popular. This has resulted, not in the end of abnormal unemployment—far from it—but in placing an inflationary time bomb right in the midst of our national economy at the very time when they admit—or some of them do—that inflationary dangers are growing. To the extent that they have consciously followed anti-recession policy, it has been based on longterm permanent expenditures rather than tax cuts, planned and co-ordinated at the early stages of the recession which, as the recession lifted, could have been modified or made to apply retroactively without changing current tax rates.

This would have been sound and sensible economic and financial policy. The government, however, preferred a political approach with unco-ordinated public expenditures which when added up reached a much higher figure than any expert would have said was wise—including, I believe, a lot of experts in the minister's department—and which cannot now be altered, once inflation replaces recession as the major danger. No wonder the government is divided and floundering, wondering which course to follow and meanwhile exhorting everybody else to hold the line. As Mr. Bruce Hutchison pointed out in the current edition of *Maclean's* magazine, and I quote:

> It is vain for the government to exhort the nation to safe courses, ridiculous for it to tell everybody else to 'hold the line' so long as it is breaking the line itself and generating the very inflation which it solemnly deplores.

So, we ask ourselves that question. Is the policy of this government generating that kind of inflation?

What is the prospect? The prospect is for increasing government expenditures with unemployment still high; deficits not only for this year but for years ahead unless—and this is how the government can get out of it—taxation is sharply increased; expenditures greatly reduced; or inflation is allowed to take its course. Now, there it is. While the government took the decision in the fall of 1957 to increase government expenditures, federal outlays during the fiscal year ended

March, 1958 were not greatly in excess of the previous year under the minister's predecessor. The estimate given by Mr. Harris in 1957 amounted to $5,018 million and the preliminary figures given by the Minister of Finance for 1958 amounted to $5,086 million, and that represents an increase of only 1.2 per cent, in spite of the fact at that time we were in the middle of our recession.

I think, therefore, we are justified in saying that even in the application of their own theories for anti-recessional and non-inflationary policies they were not successful because they acted without vigour at the right time, and that the approach they made at that time along lines which they advocated themselves—and which we still think were wrong lines—meant delayed action. The consequences of this delayed action are now facing us in terms of inflationary pressure.

The Minister of Finance having announced last June in his budget speech that the recession was over, which was not the case, and having recognized last June as I have stated the danger of inflation, and having begun to look for a new course, is now faced as a result of that budget with budgetary expenditures 8.1 per cent higher than in 1957-58 or a minimum of $5,500 million, having regard to that defence budgetary account of which he took advantage last year. Federal cash expenditures, which include non-budgetary disbursements and charges, are expected to increase by 17.3 per cent to a figure of $6,640 million. This is a greater increase than is planned for in the United States, where the increase planned is of the order of 13 per cent. We will have a deficit of hundreds of millions. The minister says he accepts a budgetary deficit of somewhere around $700 million, but there are a lot of people who think it may be more than that. Whatever it may be, it will be hundreds of millions of dollars, and the result of this is that there is now decreasing confidence in the country, in the stability of our dollar, and this means danger. Steps should be taken to remove that danger.

One indication of that fact is contained in the figures for the holding of government bonds by the public. At the end of the year 1958 the Canadian investing public held less government bonds than at the beginning, $7,953 million as against $8,628 million. This occurred in spite of all the exhortations of hon. gentlemen opposite. Far too much money had to be borrowed from the banks, therefore, to meet the deficits which were piling up every month and that has added, as the minister knows quite well, to the inflationary pressures on our economy.

The financial editor of the Montreal *Gazette*, no member of a political opposition, put the position clearly last autumn when he wrote that the evidence points to a disturbing conclusion that the bond buyer no longer has any confidence in the government. In their preference for corporation bonds, investors are saying in effect that they no longer have confidence in the government to redeem its commitments. The integrity of Canada's credit has never been questioned before as it is being questioned now.

Mr. Fleming (Eglinton): Does my hon. friend share that view?

Mr. Pearson: I think there is a real danger—

Mr. Fleming (Eglinton): Will my hon. friend tell me whether he shares the view expressed in that article?

Mr. Pearson: I am giving my view in this speech and the words will be on record in *Hansard*.

Mr. Fleming (Eglinton): You dodged the question.

Mr. Pearson: I say, Mr. Speaker, that these are impressive and serious words coming from the editor of a publication which has no reason to adopt anything but a friendly attitude toward the government in a matter of this kind. If that kind of evidence is available, is it not well that it should be made clear so the government will do something about it and so that next year this particular gentleman may be able to write something else?

But, says the minister, look at our amazingly successful conversion operation. Well, I have looked at it, as many others have. I have looked at it long and hard, and with others on this side I shall have something to say about it later as the session develops. I shall content myself with saying now that it certainly was not the dazzling success the minister thinks it was.

Mr. Fleming (Eglinton): What are you waiting for? Why don't you say what you have to say about it now?

Mr. Pearson: The minister says, why don't I deal with it now? The fact is I am trying to deal with the inadequacies, the sins of omission and commission of this government, and if I deal with all of them at this time I shall have to go on for about a week. Furthermore, some of my friends on this side of the house would like to take part in this debate. They will have something to say on the conversion loan so that my hon. friend will not be disappointed.

Mr. Fleming (Eglinton): The Leader of the Opposition pointed at the C.C.F.

Mr. Pearson: Some of my friends on my right do not belong to the C.C.F. I have no doubt also that the C.C.F. members will have something to say about it. In this respect we may find ourselves in some measure of agreement.

The hard fact is that government credit has fallen, financially—and these are my views; the minister asked for them—as well as politically. If the government does not take strong and steady action soon—fiscal action primarily—to restore the position, to renew and strengthen faith in our financial future, we may well reach a very dangerous situation, a "crisis of confidence", with rising prices, rising costs, rising deficits and, along with these, rising unemployment. At present the only thing going down is the credit and the prestige of the government which promised its way into power and now is wondering how to offset the deficit which has followed its promises and policies by the most painless fiscal means.

The Canadian people and the Canadian parliament have the right to know in what direction the government is moving on the economic front. In order to clear up the confusion which exists in the country at the present time, ministers should stop making the kind of contradictory and irresponsible statements which they have been making up till now and which indeed destroy public confidence.

Moreover, the government must decide to live up to its responsibilities for more than is indicated in the speech from the throne. As I have said previously, the speech from the throne hardly mentions the problem of unemployment and makes only a vague reference to the steps that might have to be taken at some date in the future to preserve the value of our currency. The only inference that can be drawn from this fact is that according to the government as well as the Minister of Trade and Commerce in particular Canadians are not going to suffer either from unemployment or from inflation in 1959. That is certainly not a realistic assessment of the current economic situation.

The responsibility of the government, however, is not limited to the presentation of a proper and serious appraisal of present economic conditions. That is only part of its responsibility. We are also entitled to get an authoritative statement on the broad policy principles that the government intends to apply in order to achieve a greater degree of economic stability. Perhaps the Prime Minister (Mr. Diefenbaker) will favour us with that kind of statement when he rises to take part in this debate.

On September 4, 1958, in this house I urged the Minister of Finance to issue such a statement which would have greatly contributed, I would have hoped, to the restoration of public confidence. The minister did not see fit to do anything like that. Perhaps the Prime Minister will now do so. Surely this is the time for him to put his vision to work. Labour leaders, the financial community, businessmen and the whole Canadian people have the right to expect from him, and now, a formal declaration on employment and prices. What are the major objectives that he and his government are trying to achieve in the field of economic stability? Are they in favour of full employment? Are they determined to preserve the value of our dollar, not only in some distant future but now? How does the Prime Minister intend to achieve those objectives? Is he still in favour of increasing longterm government expenditures in order to fight unemployment? What has he in mind to restore the confidence of the public in the value of government bonds? Is he prepared when inflationary pressures are threatening to accept monetary and credit restrictions, higher interest rates, budgetary surpluses and higher taxation? These are questions which I am putting forward to the government and which I think are justified by the seriousness of the situation. I am hoping that when the Prime Minister rises to speak he will answer them.

The Prime Minister owes to the Canadian public immediate and specific answers to these questions. He surely would be the last person to deny that there is at the present time a deep concern in our country over these basic issues. He cannot delay his answers on behalf of his government without contributing to the worsening of public confidence; and once that confidence is destroyed, it will be extremely difficult indeed to restore it. In other words, Mr. Speaker, I urge the Prime Minister—and I want to emphasize this matter in the strongest way possible—to make now a formal declaration on the economic rights and responsibilities of the Canadian people at this time and, more than that—because without this such a declaration would not be of any great importance—on what they can expect and are entitled to get from their government in terms of employment and price policies. The Prime Minister cannot escape that most important responsibility because no one else now can speak with authority for his government. I suggest that it is up to him to speak.

Closely related to what I have been saying—

Mr. Fleming (Eglinton): Before my hon. friend deals with another subject would he permit a question?

Mr. Pearson: Yes.

Mr. Fleming (Eglinton): Would he be prepared to answer the question to which he alluded during the course of his remarks as applying to my colleague? Which in his view is the more serious problem facing the Canadian people today, unemployment or inflation?

Mr. Pearson: Mr. Speaker, that is a very easy question to answer when he introduced it by referring to my reference to his colleague. His colleague indeed answered it. His colleague said that neither would be a threat to the Canadian economy in 1959. I say that both will be a threat to the Canadian economy. Of course, it is quite ridiculous to make that kind of a mathematical comparison as to which is the more serious, and say one is 57 per cent and one is 43 per cent.

Mr. Fleming (Eglinton): Then why did my hon. friend raise it?

Mr. Pearson: The Minister of Finance ought to know that both are serious.

Mr. Churchill: You did not approve of the loaded question I was asked.

Mr. Pickersgill: The minister said neither was important.

Mr. Churchill: I did not say that neither was important.

Mr. Pickersgill: Yes; you did.

Mr. Pearson: The Minister of Trade and Commerce said that I misquoted him.

Mr. Churchill: No, I did not say that; I said you did not approve of that loaded question.

Mr. Pearson: We will let the matter stand at that. Now may I say a few words about the trade position.

Mr. Fleming (Eglinton): Does my hon. friend not think his treatment of the question is rather misleading in view of his answer?

Mr. Martin (Essex East): An amazing question from the Minister of Finance.

Mr. Pearson: My hon. friend will have an opportunity to take part in this debate.

On the matter of trade, may I say this. It is quite true that exports are holding up and that is an encouraging feature in the present situation. For the first eleven months exports have, of course, declined but the decline was only about $5 million. But one of the important things about this matter, Mr. Speaker, is that we cannot maintain prosperity and employment in this country on a basis of stability in exports. They must keep going up. A decline of $5 million is only a small amount but it is a decline. Exports must expand if we are to maintain economic prosperity in this country.

The other thing about this figure—and it is worth putting on the record—is that while exports have held up, the nature of the statistics with regard to the export trade will show that if it had not been for a few commodities we would have been in trouble there. The most important commodity perhaps is uranium where there was in 1958 over 1957 an increase of exports of $132 million, practically all to the United States. This was because of an arrangement, a contract, made by the previous government with the United States government under which uranium exports are going into that country. That arrangement comes to an end if it is not renewed and the option taken up in 1962, I think it is. I certainly hope that this will be done; I know the government is doing everything it can to have the option taken up.

Couple the increase in cattle exports, which is about $50 million, with the increase in wheat sales due in substantial part to the fact that the Canadian taxpayer financed more wheat exports this year than ever before in history, and the value of aircraft exported which increased from $21 million in 1957 to $100 million in 1958, due again, I suppose—and the minister will correct me if I am wrong—largely to the Mutual Aid shipments of aircraft to Europe, which is also being financed not by the importer but by the Canadian taxpayer, and one finds that these sources alone which I have mentioned showed an increase of $330 million in our export trade, and we would be in a bad way without this increase.

The Minister of Finance and the Minister of Trade and Commerce have been boasting in recent statements about the decline in our trade deficit in 1958, especially with the United States. They have not given any particular reason for this decline, or explained how it was brought about, and I will be glad to repair that omission now. Without such an explanation many people relying on election promises will undoubtedly have thought that this reduction in our unfavourable balance of trade with the United States was due to government policy. The real explanation, of course, is quite clear. In the first place, the reduction in our trade deficit is not due to an expanding trade; it is due to the fact that our imports went down far more than our exports. Our imports dropped for the first nine months of 1958—and I understand from figures that came out today which brought the period up to 11 months that the picture is not changed—show that the import drop is 11.3 per cent, whereas the export drop

was very small. Our unfavourable balance with the United States was reduced because, and only because of that fact.

It is interesting to see how this reduction in imports is distributed among our various markets. According to the dominion bureau of statistics, imports from the United States went down by almost 15 per cent. Could that possibly be the diversion, the ill-starred and ill-begotten diversion, promised once by the Prime Minister? I do not think so, as the figures will show. During the third quarter of 1958 imports from the United Kingdom declined by 7.6 per cent and for the first nine months of that year they were 1 per cent lower than in 1957. Imports from the commonwealth fell by about 15 per cent for the first nine months of 1958 and by 20.8 per cent in the third quarter of that year. That is strange. We diverted 15 per cent of our imports from the United States. They did not go to the commonwealth, because the commonwealth countries received almost 15 per cent less—to be exact 14.4 per cent.

Where did our imports increase most? From Arabia and from Japan—petroleum from Arabia and textiles from Japan. That is the only group of countries which showed an increase in sales to Canada, and the improvement in their position is very impressive indeed. Was this the direction—to Japan and Arabia—that the so-called diversion was supposed to take? And while we lost 15 per cent of our imports from the United States, which helped to reduce our unfavourable balance, did we receive more imports from the United Kingdom? The answer is: no. But did the United States? The figures which came out a week or so ago showed that United States imports from the United Kingdom increased by about 15 per cent. What a strange result of the diversion of trade policy of the present government.

I think all this justifies my saying that the trade policy of the government, like other aspects of its policy, is wavering and uncertain and in no respect is this better shown than in the way this 15 per cent figure has worked itself out. It has also shown itself in the government's tariff policy. During the last session the government moved in the direction of greater protection. Some tariff increases were effected, especially on wool products, our main item from the United Kingdom, to make clear, no doubt that the diversion policy had been abandoned. Moreover, substantial amendments to the Customs Act were made which gave wide arbitrary powers to the cabinet and to the Minister of National Revenue to establish and increase the valuation of imported goods for duty purposes.

The United States government, we know now, vigorously and formally protested against this legislation. Its first note of June 26th, as we know now, was not even acknowledged. Its second note of protest, dated September 3, was not answered until October 24. In the debate in the House of Commons on this very subject last September 3, the minister had before him, I presume, one note or two notes of protest from the United States government bearing on this very piece of legislation.

Mr. Nowlan: The minister had no notes before him when this was brought up.

Mr. McIlraith: His colleagues had.

Mr. Nowlan: His colleagues had not either.

Mr. Pearson: Mr. Speaker, these notes have since been published. One is dated June 26 and the other is dated September 3 and they both deal with anti-dumping legislation which the Minister of National Revenue brought before this House of Commons. The minister says now that he did not have those notes of protest before him. Surely a government which, according to its own words, is so careful about its relations with the United States, so insistent on consultation on questions of interest between the two countries, especially with regard to trade questions, should get around to answering a United States note of this importance within four months; and surely this government could refer such notes to the minister who is introducing legislation in the House of Commons dealing with this subject. But now the minister says he never had the note. I was going to complain because he had not put it before the house when the bill was before us, but I understand now that he did not know.

In the reply which it eventually made in October, this government gave a clear undertaking to the United States, four months later, after the bill had passed. I wonder what would have happened if the United States had treated us like that down in Washington. The government gave a clear undertaking that the new section 38 of the Customs Act would not be used against the United States. But how is it to be used? Is there to be discrimination in the application of that particular clause? Is there to be discrimination against the commonwealth in its application? It is not to be used against the United States. But if it is to be used against anybody else, then there is discrimination.

This brings me to the question of the commonwealth conference held last September in Montreal. This conference, I might interject at this point, was one of a number of commonwealth conferences held since

world war II but this was not on the prime ministerial level. There was nothing unique about it in its assembling or in its results. It included in its communique the following paragraph which I know the house will listen to with great interest because they may have forgotten it, and it also appears in the speech from the throne:

"A large measure of agreement was reached on trade and economic matters. This has lead to far-reaching decisions on the part of the United Kingdom and other countries to restore convertibility of their currencies and to remove restrictions on imports.

In other words, it was the commonwealth conference in Montreal that impelled the French government, the Belgian government, the German government and the governments of various other countries to restore convertibility. That, Mr. Speaker is another grossly misleading and inaccurate statement.

The conference in Montreal was, of course, a useful meeting as commonwealth meetings always are. For one thing, as the chairman is reported to have said, "It is useful that we ministers have got to know one another." When we were in power we had more commonwealth conferences including prime ministerial conferences in a period of ten years than were ever held in all our previous history.

Mr. Fleming (Eglinton): And you dragged your feet at every one of them.

Mr. Churchill: You scarcely mentioned the commonwealth.

Mr. Pearson: While this recent conference was a very useful one indeed it had about as much to do with recent European convertibility developments as had the revolution in Cuba. If this conference—in the words of the speech from the throne—"led to" recent European convertibility moves why did the Canadian-United States conference communique issued on January 7, only a couple of weeks ago—a little more honest in its assessment of the commonwealth conference in its assessment of the relationship of the Montreal conference to convertibility—merely state that the Montreal agreement foreshadowed moves toward convertibility which is a very different thing from saying it led to convertibility developments.

We were told for months before the commonwealth conference assembled that it was to be a great commonwealth trade meeting.

Mr. Fleming (Eglinton): A trade and economic conference.

Mr. Pearson: It was to be a great commonwealth trade conference primarily for the purpose of expanding commonwealth trade.

Mr. Pickersgill: And recovering markets.

[Mr. Pearson.]

Mr. Pearson: Yes, and for the purpose of recovering markets that had been lost after ten years during which export figures in Canada reached the highest peak in the history of this country. As a result of this meeting these markets were to be recovered and commonwealth trade was to be expanded.

Mr. Fleming (Eglinton): It is.

Mr. Pearson: At this particular meeting, in fact, very little was accomplished in the field of trade. As a commonwealth problem, according to the reports, it seems to have been given extremely inadequate discussion. Certainly the British made no effort at this meeting to repeat their earlier free trade offer. They had been bitten once and were shy a second time. I know that when the Prime Minister or the Minister of Finance speak they will probably point out that some United Kingdom import controls were removed with respect to newsprint, canned salmon and machinery from all dollar countries. But as the Ottawa correspondent of the *Financial Post* pointed out at the time, September 27:

Undoubtedly a good thing for Canada and the United States and Britain; but no bold leap into the unknown. It was more like tidying up the books since salmon quota had been set high at $4,500,000 and licenses for newsprint and most machinery had not been refused for some time.

And what did the Canadian delegation do at this conference to show its devotion to the removal of trade barriers? It promised not to increase the British preferential tariff rates on many products which were bound under GATT procedures. Moreover, and I consider this most important, it is reported that the Canadian government have undertaken not to use the new anti-dumping clauses in the Customs Act against British products although the Prime Minister refused to make such an assurance public because of the implications it would have in the United States. If this report is inaccurate perhaps the Prime Minister will take this opportunity of denying it. If it is true that the British have been given any assurance whatever that the anti-dumping provisions will not be used against them then the amendments we made to the Customs Act last session mean nothing at all because with respect to the recent meeting between United States and Canadian cabinet ministers held a couple of weeks ago the following paragraph appeared in the communique:

The United States representatives set out the grounds for their concern as to the amendments made last year in the Canadian Customs Act. They were assured by the Canadian ministers that it is not intended to apply the new provisions of the act in either a discriminatory or an arbitrary manner and that consultation would be held wherever feasible before applying the new provisions.

If these provisions are not to be applied against the British and if they are not to be applied against the United States in a discriminatory way, they cannot be applied against any one.

Mr. Fleming (Eglinton): That is silly. Why do you go on building up straw men and knocking them down?

Mr. Pearson: Will the Minister of Finance rise to his feet and deny that any arrangement, of any kind, formal or informal, was reached with the United Kingdom at this conference which affected the application of the provisions of the Customs Act against the United Kingdom? We are interested in knowing if any assurance, formal or informal, was given concerning the application of this law.

Mr. Fleming (Eglinton): Mr. Speaker, of course there never was any thought at any time of giving discriminatory or arbitrary application to the provisions that were introduced by way of amendment last session. That was stated in this house at the time by my colleague, the Minister of National Revenue (Mr. Nowlan) and if it had not been for misleading statements uttered in this house by the Leader of the Opposition (Mr. Pearson) it never would have entered into the minds of the ministers of any other government that those provisions would have been given or would have been capable of being given any arbitrary or discriminatory application.

Mr. Pearson: That is a most interesting statement but it has nothing whatever to do with my question. I will repeat my question and perhaps the minister can set our minds at rest on this matter. I asked him whether at that conference in Montreal through a letter, a conversation, a note or in any other way formal or informal, any assurance or undertaking was given to the British government that the anti-dumping provisions of this act would not be applied against them? I am not talking about discrimination. I am talking about the application of the provisions.

Mr. Crestohl: Especially section 38.

Mr. Fleming (Eglinton): Mr. Speaker, there was not and could not be any assurance given to anybody that the provisions of the act would not be applied according to their terms. They were not directed against any country. They are not to be applied against any one country, nor is any country absolved from the application of them in any case that falls within the terms of the act. It is perfectly clear.

Mr. Pearson: I would hope that in view of the interest that has been created in this matter the minister at a very early opportunity would table any communications that might exist between himself and any member of the British delegation. He would remove all doubts by tabling any documents that might exist. I am sure he would be able to obtain permission from his opposite numbers in London for this purpose.

I can conclude my remarks on the subject of trade by saying the government started with a policy of diversion, and then moved in the direction of a policy of protection and is now reaching toward a policy of confusion. As for us, we remain firm and faithful to the one trade policy which has been Liberal from the beginning, a policy of expansion.

Mr. Churchill: How many more sections have you?

Mr. Pearson: I have a great deal more; I am sorry, but after all, if the ministers will make those contradictory and confusing statements we must take advantage of the very first opportunity we have to try to clear the air.

Mr. Churchill: You are not being very successful.

Mr. Pearson: I am now coming to a matter where the air certainly needs to be cleared, namely defence. Where do we stand on this question? Nobody knows. However, we will be told before March 31 whether we are to proceed with the CF-105 project. That is all we know. Before March 31 we will be told. Let us look into this Mr. Speaker. The decision to initiate this project was made some years ago by the previous government. According to the Prime Minister's statement—it was a government statement but it was issued in the name of the Prime Minister; most government statements are—

Mr. McIlraith: One man government.

Mr. Pearson: According to the Prime Minister's statement of last September, and I quote from it:

> Since the project began, revolutionary changes have taken place.

He meant, of course, changes in defence strategy and concepts. That is true. Furthermore, the previous government, when it decided to initiate this project, decided also to review it every six months and to decide, in the light of that review, whether to proceed further. So far as we know—in fact, it is quite obvious—there has been no such decision—if there has been we have not heard about it—one way or the other by the present government in the last 18 months. Perhaps I should not be sure about this because the confusion and the contradictory statements of spokesmen for the government have been

such that no one knows where the matter stands. I call to witness as impressive evidence of this confusion and, indeed, as one cause of it, the statements of the Minister of National Defence (Mr. Pearkes) himself. Before the estimates committee of this house on July 4, as reported on page 325 of the minutes of that committee, the minister said:

There are, however, important factors necessitating the continued use of manned interceptors in the air defence system for many years, indeed—

And I repeat this:

—indeed for as far as we can see into the future.

Apparently the minister could not see as far as September. Certainly at that time in July before the committee the minister visualized the Royal Canadian Air Force interceptor squadrons on this continent being re-equipped with Arrows, when he said, as reported at page 338 of the minutes of the estimates committee on July 7:

Some time this fall—

That was last fall. I continue:

Some time this fall—

Not March 31, 1959—

—the government must reach a decision as to whether or not it is going to go ahead with the CF-105 or look elsewhere for the type of aircraft which can carry out the function which the CF-105 was developed to carry out. That decision will have to be taken some time this fall.

That is when it should have been taken. I go on:

I am convinced, in my own mind, that we are still faced with the threat of the manned bomber, and that with the developments which we believe the Russians are doing in perfecting, or improving, their manned bombers—we understand that the Russians are building manned bombers—an aircraft of the CF-105 type will be required.

Having just said, I think the day before, as far as he could see into the future it would be required, then for some reason or other the minister's timing and his views both changed. As far as timing is concerned all we know is that nothing has happened. As far as his views are concerned, according to the Vancouver *Province*, the minister told an audience in Chilliwack on October 17—I will be glad to send him the newspaper reference if he would care to have it—that the CF-105 —this was only October—had outlived its usefulness before it was fully developed.

There was, however, another double reverse play on November 25 when the minister told reporters that he agreed with the conclusion of Air Marshal Slemon that the air force would require a manned interceptor for some years to come. That could only mean the CF-105 or an United States machine for which the Canadian plane would be scrapped, and the minister indicated at that time he did not think very much of that alternative. Perhaps the minister's change of heart in October and his confusion in the matter go back to the Prime Minister's statement of September 23, which certainly made the minister's observations in July to the parliamentary committee meaningless and misleading. I suggest the Prime Minister have a good look at it.

On this September date the Prime Minister issued an important, if somewhat cloudy, statement on the revision of the Canadian air defence program. Included in that statement was this paragraph:

The government has concluded that missiles should be introduced into the Canadian air defence system and that the number of supersonic interceptor aircraft required for the R.C.A.F. air defence command will be substantially less than could have been foreseen a few years ago,—

And then, these words:

—if in fact such aircraft will be required at all in the 1960's, in view of the rapid strides being made in missiles by both the United States and the U.S.S.R.

The Prime Minister in September said that it was doubtful whether those aircraft will be required at all in the 1960's. The Minister of National Defence told a committee of the House of Commons that they will be required in the future as far as he could see. The Prime Minister's statement went on to say that the government would not put the CF-105 into production at this time but would not discontinue its development—and I quote:

—with the international outlook as uncertain and tense as it is.

It is very hard indeed to believe that this current tense international situation was responsible for such an ambiguous and merely delaying decision, especially as, according to the Prime Minister:

Even under the best of circumstances (the CF-105) will not be available for effective use in squadrons until late in 1961.

That same September statement announced the termination of the contracts for the development of the fire control system and the missile system which were to be part of the CF-105, and announced their replacement by United States equipment.

This September statement, though ambiguous, was widely and naturally interpreted as the end of the CF-105, a lingering death, if you like, but a death. It caused uncertainty, bewilderment, disappointment and the loss of some experts to the United States of America. It also caused the deputy commander of NORAD, an air marshal of the Royal Canadian Air Force, to intervene in November in the matter, in vigorous public defence of the CF-105, and take strong issue with the policy that had certainly been read into the government statement. I wonder what would have

happened to that official of the Canadian government if he had been an official of the Department of Mines and Technical Surveys and had been criticizing the United States government's choice of a missile. He would have been reprimanded, but not so in this case. Air Marshal Slemon's statement was widely interpreted as a contradiction of government defence policy on this matter, and that is to us a reasonable interpretation to come to. The government, or at least the Minister of National Defence, seemed at least to welcome the statement. Confusion is now worse than ever, and therefore this plane, which the minister stated in October had outlived its usefulness, basing his observations no doubt on the Prime Minister's statement, suddenly became something else again.

We were again told by the minister in November that a manned interceptor would be required for years to come. So A. V. Roe and Company took heart and the workers at A. V. Roe and Company took heart even though another part of the minister's statement on the same day when he was talking to the press emphasized that there was no change from the policy in the September statement made by the Prime Minister which was interpreted as meaning the end of the CF-105.

Mr. Speaker, no wonder people wondered what was going on and were baffled by all this confusion in a matter of such vital importance. What then should be done about defence and particularly about the decision, the implications of which will be so far-reaching, to go ahead with or to abandon the CF-105, a decision which has strategic, technological, economic and the broadest political implications, especially in the bearing it will have on our relations with the United States of America and on the future of our aircraft industry? The sole responsibility for the policy decision in this matter, as in defence policy generally, remains in the hands of the government, and they should have met it before now. That is the tradition of British parliamentary government and we on this side do not wish, as we did not wish when we were in office, to depart from it in favour of making policies through parliamentary committees.

Nonetheless, decisions made by the government have to be submitted to parliament for approval or disapproval. Every member has his own responsibility in this regard and, not least, members of the opposition. This is especially the case when we face decisions of such far-reaching importance as those which are facing us now in the realm of defence policy. Surely, therefore, it is desirable, surely it is essential that we should be in possession of every fact that bears on this matter, subject, of course, to the overriding claims of security. We have had little or no information from the government up to the present but the press is full of statements from officers, active and retired, from industries and unions and from experts and non-experts dealing with this matter. The confusion that has resulted has not been cleared but, as I said, has even been confounded by official statements by spokesmen of the government.

Therefore I suggest to the government that there should be set up as soon as possible a special but small parliamentary committee—it could be a subcommittee of the committee on estimates; perhaps that would be better—to give this question the kind of searching and complete examination which it has not yet received, and give it immediately. I know that the minister would have to give up a good deal of time to a committee or subcommittee of this kind because he is the one on whom we would have to rely most for information and views, although other witnesses should be available as well. This, Mr. Speaker, would not be a delaying action because the decision is not going to be given to us until March 31. When this decision is made, surely members of the house, before they are called on to consider this matter with all its far-reaching implications and eventually approve or disapprove the decision, should have possession of those facts, and surely the best way to get possession of them is through the kind of parliamentary committee or subcommittee I have mentioned which I would hope would begin to meet almost at once.

I know that you will say that this is an unusual procedure. It is, but the situation is unusual. We are reaching, if we have not already reached, a cross-roads in our defence policy. The developments of the past year or two have been very important indeed. Surely this parliament, representing the Canadian people, cannot afford to consider policy in this matter except within the context and the compulsion of these developments in the last few years. That is why I suggest we must have the facts if we are to find the best and the broadest-based solution for a problem which is of vital importance to our whole national future. The responsibility is on the government. We as the House of Commons cannot take that responsibility even if we desired to do so. It is our responsibility in making up our minds as to the rightness of the government decision to know the facts, and I suggest that perhaps the best way of getting them is by the procedure I have mentioned.

You will be glad, Mr. Speaker, to know that I am getting towards the end of my bill of indictment but I cannot forego the pleasure and responsibility of giving the house some other examples of confused and muddled policies. Turning to agriculture and fisheries, I hope we will have an ample and adequate early opportunity to discuss agricultural matters. All I will do on this particular occasion in dealing with the confusion with regard to this particular aspect of government policy is to compare the emotional appeals of yesteryear of the Prime Minister for "parity, not charity" with the disillusioning warning of the Minister of Agriculture (Mr. Harkness) in Ottawa and in Springfield, Manitoba, a few weeks ago that if the farmers did not reduce their own production in the face of mounting surpluses, down would go support prices.

Then there are freight rates, so vitally important to agriculture and to all producers, indeed, to all Canadians. On November 25 the government announced its approval of a 17 per cent increase in freight rates to take care of wage increases and we were told that this was necessary to avoid a crippling railway strike. That was a crisis all right but how did it become a crisis?

The question of wage increases for railway employees did not arise last November when a strike threatened and when the provinces appealed to the government against the increase in freight rates which then seemed one way of avoiding it. That problem arose on November 12, 1957, when the demand for a wage increase was first made by the non-operating unions. It assumed a definite form in July, 1958, when the conciliation board recommended a specific increase in wages.

During the whole long period when these negotiations were going on the government must have been aware that ultimately it might be called on to take some positive action to settle the matter. However, nothing was done and the matter was allowed to drift. That drifting converted a problem into a crisis which the government has postponed by granting the kind of horizontal increase it had refused previously and against which the Prime Minister had inveighed during the election campaign a year ago.

Then, having got themselves into this contradictory position, they sought to escape from its economic and political consequences, because this decision would have a discriminatory effect against certain parts of the country, the west and all the Atlantic provinces. They hoped to escape from this consequence by promising—it is in the speech from the throne —some form of subsidy to alleviate this discrimination. So now we have a horizontal increase plus a proposed subsidy, plus another application from the railways for a further horizontal increase. Where do we go from here?

It is not possible for me to mention freight rates without a reference to one industry—I wish I could refer to many others—which is languishing largely because of freight rates. I refer to the coal industry. Apart from unemployment caused by the Springhill tragedy, we now have a lay-off beginning in February of 4,000 other miners in Nova Scotia owing to lack of orders for coal. We on this side, Mr. Speaker, repeatedly warned the government last session of this unhappy possibility but our warnings went unheeded.

Then perhaps I should not omit to say one word about the Minister of Citizenship and Immigration (Mrs. Fairclough). There has been contradictory thinking between ministers regarding immigration policy, and indeed confusion within the mind of the minister who should be clearest about it. The Minister of Justice (Mr. Fulton) boasted the other night that his government, amongst other things, has saved us from all kinds of trouble by cutting down immigration, but he did this at the very time the minister of immigration was quoting with approval the view that there is little or no connection between immigration and unemployment. They had better get together on that.

Mr. Fulton: It is because we are cutting down; that is why.

Mr. Pearson: They seem to be a little remote from the practical difficulties and dangers of the times.

May I just say one word about art, about this ill-starred venture of the government into the field of art which has brought a measure of humiliation to our country and some very bad publicity. The question here is not whether it is wise or unwise to buy certain pictures for the national gallery; that is not the point. The question is the permitting of a responsible official of this government, and he must surely have had cabinet or at least ministerial approval, to make an offer which was later repudiated. As I have said the results look pretty humiliating in the columns of not only the Canadian press but of the foreign press and did no good for the reputation of this government.

There are other things of the same kind at which I should like to take a look. There is external affairs, but I shall have another opportunity to do that. I cannot, however, refrain from mentioning at this moment the welcome given by the Secretary of State for External Affairs (Mr. Smith) in Seattle to the presence of Red China at a summit conference at a time when the Prime Minister

in Karachi and the Minister of Finance in Tokyo were throwing cold water on any change of Canadian policy regarding that government.

This leads me to my final subject for this afternoon, United States-Canadian relations. I want to touch on this matter, and I can only touch upon it because it is a question of the greatest possible importance. I do so at this time only in the context of government fumbling and indecision in policy. There will be other opportunities, I hope, for a discussion of the more general and substantive aspects of those relations about which so much is being said these days. I will content myself now with the general aspect of the question and by expressing my own hope that we, in Canada, should always consider and discuss this vital relationship with a mature sense of responsibility, and with a full realization of the fact that the destinies of our two countries on the same continent, in a dangerous world, are inseparable. We may wish that it were not so, but wishing will not alter the facts; yet the facts should influence and, perhaps at times, govern both policies and words.

When in opposition my hon. friends opposite had some hard and harsh words to say about these relations. They referred to "Texas buccaneers"; "U.S. domination"; "sell-out to Washington"; "the menace of American financial control"; we were becoming hewers of wood and drawers of water for our neighbours; that we were being throttled and sold out. We remember that talk. Then came the realities and the hard facts of official responsibility, and the talk changed overnight, as well it might. In fact, the Minister of Trade and Commerce in Chicago last November, in one of the first indications of the sober second thought that has come from a member of this government, admitted, and I quote:

> The misunderstanding that has arisen over this matter can be traced to speeches made in election campaigns for the express purpose of embarrassing political opponents.

Mr. Churchill: I was referring to your speeches.

Mr. Pearson: The minister never made a truer statement. He must have been reading some of his old speeches.

Mr. Churchill: I was referring to yours.

Mr. Pearson: The minister must remember that we were on the receiving end of that kind of talk from him and his colleagues, that we were selling out Canada to the United States, and when we tried to put this relationship into perspective as befitted the importance of the subject we were the victims of some pretty vigorous and bitter assaults from the hon. member and others. They ought to go back and read their speeches in *Hansard*.

Now, what does the minister say? He said this in Chicago:

> There is neither alarm nor fear in Canada over the growth of U.S. capital.

Did he talk like that four years ago? The Secretary of State for External Affairs, speaking at Seattle on the same day, was even more expansive. He had this to say:

> For the United States, Canada has no fear, no jealousy, no suspicion. On the contrary, we have the positive attitudes of co-operation, fairness, justice and freedom.

The first sentence in that statement might be difficult to prove to every Canadian's satisfaction. He might have difficulty in persuading everybody in Canada that we have no worry about some aspects of United States policy. I am glad he put it that way. However, the second sentence which he said, and which I have quoted, seems to me to be entirely admirable. It is an admirable sentence which expresses sentiments in which we on this side of the house share and upon which I congratulate the minister. I wish he had been in this House of Commons during the debates of two or three years ago.

Even more interesting were the political words used in New York by the Prime Minister at the non-political Pilgrims dinner on October 28 last. Here is what they are according to the text of his speech as circulated by his own office:

> Beneficial changes have taken place in these relations (between Canada and the United States) since I spoke at Dartmouth fourteen months ago. The plants in the garden are being more carefully nurtured;—

I enjoy these interruptions and that applause, Mr. Speaker, makes my next observation so much more implicit.

> The plants in the garden are being more carefully nurtured; they are being trained up and guided, not left to grow jungle wild.

Well, what evidence did the Prime Minister give of this spectacular change from Liberal times when the flowers in the garden were growing jungle wild? Here is the evidence that he gave. Mr. Eisenhower and Mr. Dulles have visited Ottawa. Well, they have done that before. It is true that the President had not previously made a speech criticizing diversion—Conservative policy—and praising expansion—Liberal policy—as the essential foundation of wise trade policy. This was the first evidence that the gardening was being more skilfully done.

The other evidence that he offered to his audience was that there were now three high level Canadian-United States legal committees. One of these is the parliamentary-congressional committee, proposed first by the

Hays-Coffin committee of the United States House of Representatives, taken up by the Canadian government and approved by this parliament. I hope that committee, which has had its first meeting under your distinguished chairmanship, Mr. Speaker, so far as the Canadian delegation is concerned, will prove to be a useful and valuable piece of machinery. I understand that the first meeting was a preliminary one and that the next one will take place six months from now in Ottawa. We wish this committee well.

The second committee referred to in this gardening activity was a defence ministerial committee which I believe has not yet met at all.

Mr. Fleming (Eglinton): Oh, come up to date.

Mr. Pearson: Or if it has met—and we have not been brought up to date on this matter by the minister—it was a meeting in Paris in connection with the NATO council meeting between the Canadian Minister of National Defence and the United States secretary of defence. If there has been any meeting at all, that was the meeting, or the minister will perhaps correct me if I am wrong. I would remind the minister that that kind of meeting has taken place every year that we have had a NATO annual meeting.

Then there is a third indication of this more efficient gardening, namely the Canada-United States ministerial trade committee set up by the previous government but which met more recently in Ottawa in January. When the Prime Minister speaks I hope that he will have some more impressive evidence of his gardening to produce than the communique of that particular meeting. I have read that communique very carefully. I have had some responsibility and some experience in drafting communiques after international meetings. As I understand it, it took three hours to write this one. I have never seen a communique from an international meeting which was emptier in content than was this particular one or fuller of words. All it did was to promise that in so far as it is possible, neither government will do anything to hurt the other—and that is all right—or, in the case of consultation, there will be consultation whenever feasible, on these matters. Consultation is to be held only when it is feasible, according to this communique. I suggest to the ministers concerned with this particular committee, that they worry less about the three hours' time devoted to the communique and more about dealing with some of the great problems that arise in the relationships between them. The Prime Minister may feel complacent about Canada-United States relationships, but that complacency is not shared in certain non-political reports. One from a high level but unofficial Canada-United States businessmen's committee, which met last autumn, urged

> —that no further deterioration in commercial relations be allowed to occur.

In other words they wanted better gardening than the spasmodic digging of the previous sixteen months. The fact that this Conservative gardening has not been as productive as the Prime Minister told the Pilgrims is shown by United States restrictions on imports of zinc, lead and ore; by new ill-judged and inadmissible interference by the United States government on the purely Canadian business of United States subsidiaries in Canada to which the Minister of Justice referred this afternoon; by new United States wheat barter programs; the shocking omission which I have already mentioned of the Canadian government to answer the United States note on the anti-dumping bill for four months, or until after the bill had been passed in this House of Commons. All this would indicate that the gardening, on the Canadian side of the line in the last 16 months, has not been very efficient and certainly has been no improvement on Liberal methods of previous years.

I had thought, Mr. Speaker, that I had reached the end of my specific indictments but there is one other matter on which I will now touch. I should have mentioned it earlier but I omitted it. I refer to federal-provincial relations. In that field we certainly find the same indecision and uncertainty, in spite of the specific undertaking made by the Conservative party before the elections. No federal-provincial conference has been held except that one a year ago which did so little. At that time the country was led to understand—and a specific commitment was given to that effect—that there would be a subsequent meeting which would deal in a more effective way with fiscal relations with the provinces. In a speech made in Winnipeg in May 1957 the Prime Minister, according to the report, said that under the fiscal arrangements proposed by the Liberal government the provinces had been "forced into a starved condition" and that the municipalities were the "forgotten people". On another occasion during the same campaign he is reported to have stated that a conference would be called after the election "in order to assure fairness to all".

We know what happened. The government has not yet called any such meeting. We know now, because of the speech from the

throne, that the government has no intention of calling such a conference. We know that instead the government has announced to the provinces the extension of the existing temporary arrangement. That arrangement was made about a year ago on an ad hoc basis. Since that time several premiers have indicated that they were not satisfied with it as carrying out the government's promise. On September 30 Premier Douglas in a radio broadcast said that the dominion-provincial conference should be reconvened "with the least possible delay". During the opening debate of the current session of the Quebec legislature Mr. Duplessis is reported to have reasserted his government's stand on provincial rights in the field of direct taxation. Finally, on September 24, 1958, Mr. Frost, in a speech in Etobicoke, renewed his campaign to secure a more equitable division of tax revenue from the federal government and to get another $80 million annually from the direct tax field. He is reported to have concluded his remarks on this subject by saying this:

> It would be a great mistake for us all—federal and provincial—not to strive for an early resolution of this most important matter.

Is the government striving for an early resolution of this most important matter? The government has ignored these representations. There is to be no conference. Instead the government, as I have just said, has announced, without consultation or conference, its decision to maintain for this year the arrangement which it made unilaterally last year without conference. The speech from the throne and the telegraph company have now become the new lines of communication with the provinces. The provinces read about this new offer in the press and they read about the new offer last year. I am not quite sure, but I believe some of them did not get the telegrams at all. What a startling improvement this is on the take-it-or-leave-it method of that federal despot, Right Hon. Louis St. Laurent who, while he was prime minister, when he or his government wished to make in the speech from the throne a reference which affected the provinces, had the courtesy to let the provinces know about it beforehand. But the government is doing something. In the speech from the throne there is a paragraph which reads as follows:

> My government proposes that the entire subject of financial relations between the dominion and the provinces shall receive continued active co-operative study.

The subject is to receive, not only study but continued active co-operative study. Was there ever a better example of an adequacy of words trying to make up for an inadequacy of action? The paragraph continues:

> All provincial governments are being asked to agree to the use, for this purpose, of the machinery of the existing federal-provincial continuing committee on fiscal and economic matters—

They are going to be asked to agree that this committee should continue to do its work. That is all it amounts to. That is the new deal with the provinces. I understand a letter was sent to the provincial governments suggesting that perhaps the ministers of the provinces might exercise supervisory jurisdiction over these people, something which presumably they have been doing all along.

I think I have produced sufficient evidence, Mr. Speaker, to support our bill of indictment. All that remains now is for me to draw the bill to a conclusion and to move the amendment. I think, perhaps, Mr. Speaker, that the government will have realized by now that the honeymoon is indeed over, and the wedding trips too. Now the hard, unglamorous drudgery of housekeeping has descended on the happy party. In fact, the domestic sink is filled with dirty dishes while argument goes on as to how to clean them economically without breaking any politically.

To return to more prosaic prose, Canada, I repeat, is faced with more problems, more difficulties and more anxieties than at any time since world war II. This government has failed to face up to these anxieties, these difficulties and these problems; its own major difficulty lies in getting away from the habit of looking at everything from the narrow viewpoint of political advantage which, perhaps, accounts for so much of the confusion, delay, contradiction and uncertainty of so much of the present government's administration. Mr. Speaker, they have elevated expediency into a national policy. I will give the Prime Minister time to take all this down. I will repeat it at dictation speed. When confronted with a situation which demands action he will make a broadcast or a speech, or appoint another commission. The favoured formula, as I have already shown, is to wait for a problem to become a crisis and then, cheerfully ignoring any commitment previously taken or promise made, to deal with it by hand-out or hold-off. That is not good enough, especially at a time when wise, steady and consistent action is necessary to help us solve our national problems and realize the great destiny which lies ahead of us.

It is a time not so much for ringing declarations of freedom—we have an abundance of them, including one of the noblest of all in the United Nations charter—as for policies of government which will make freedom

work for the welfare, security and progress of men and women. Bread without freedom may be a stone, but freedom without bread and work to earn it is a mockery. If we cannot make the freedom we have work, then no declaration of words, however inspiring, will help us much or save us from some other form of government which will have far more of compulsion than freedom about it.

We on this side have no confidence in the ability of this government to give us this kind of leadership at this particular time of need. Indeed, this is a government of confusion, contradiction and unsteadiness; a government which thinks and acts primarily in terms of short range, narrow political advantage, gyrating from one move to another with all the circular sensationalism of a hula-hoop performance. As the hon. member for Restigouche-Madawaska (Mr. Van Horne) pointed out in his New Year broadcast, Canada needs something better than this, something better, to use his words, than mediocrity—and he was referring to the present government—which, he says, cannot be tolerated. We feel that way, too, Mr. Speaker, and because of that feeling I move, seconded by the hon. member for Laurier (Mr. Chevrier), that the following be added to the address.

We respectfully affirm that Your Excellency's advisers, by reason of contradictory and confused policies; as well as lamentable indecision in dealing with grave national problems such, for example, as those concerned with mounting unemployment, no longer merit the confidence of this house.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, may I begin my remarks by congratulating the Leader of the Opposition (Mr. Pearson) on the multiplicity of the topics with which he has dealt. He has spread himself out. He has repeated all the speeches which he has not been able to use with much effect in the country.

This speech has been delivered in more or less divided form throughout the recent pilgrimage he made across this country. As long as we have as many members as we started with the answer is given to much of that criticism. I recall almost a year ago in this chamber the amendment moved at that time, done with all the forcefulness that is apparent here today and done with all the effectiveness which was apparent today. But until the hon. gentleman described that speech himself I thought it represented his thinking. What did he say himself in describing what he had done in the amendment that he moved—for in the House of Commons you do not try to put over fast ones—the words he used dealing with the amendment he moved were these: "I tried to slip him a fast one, if you will excuse the expression, but he belted it out of parliament."

We have had another of those fast ones today. I intend to analyse just parts of it and will leave to my colleagues the task of answering those remarks made by the hon. gentleman on this occasion regarding matters relating to their various departments. We heard from the hon. gentleman cascades of verbosity and torrents of denunciation but I shall deal with the facts without employing the attributes that he gave to his remarks.

I was particularly interested in the attempt of the hon. member to paint a picture of Canada as a place fearful in its prospects and frightening in its future. This is a picture not borne out by the facts and one that is not in keeping with the kind of attitude that one expects on the part of those who hold responsible positions.

During the course of his remarks the hon. gentleman quoted the report of a Canadian bank. I am going to refer to the monthly review published by the Bank of Nova Scotia, November issue, in which it is stated in effect that the recession was much less sharp in Canada than in the United States, which the bank suggests is indicative of the fact that what had happened was largely due to the energetic counter-cyclical measures taken by this government. The report of the Bank of Montreal is to a similar effect.

Mr. Martin (Essex East): What did the president say?

Mr. Diefenbaker: The president of the Canadian Chamber of Commerce is reported in the Canadian Press of December 31 to have stated that Canada's economy now is heading in the right direction and Canadians can look forward to a better year. While we have had one recent skirmish, the battle is now joined against inflation, the press report indicates.

At this point, Mr. Speaker, I cannot resist quoting remarks made by the Leader of the Opposition while abroad because even though the truth has to be exported, nonetheless it is appreciated that he spoke the truth as reported in the *Times* of London supplement of November 24, 1958. The title of this contribution made by the hon. gentleman is "Old World to Redress Balance of New". I ask hon. members to listen to these words and compare them with the picture the hon. gentleman painted today, one of darkness and danger, planting fear in the hearts of the Canadian people.

He spoke today about policies that he described as uncertain and endeavoured for political gain to frighten the Canadian people, to sow the seeds of fear in their hearts. I do

not mind the criticism of the hon. gentleman because he can be extremely helpful when his criticism is offered in a constructive way. But I must point out that the speech he delivered today is not in keeping with his responsibilities as Leader of the Opposition at a time when world conditions are difficult and trying, when the communistic world attacks the free world economically as never before and at a time when one hears remarks such as those made by Mr. Mikoyan last evening when answering questions on "Press Conference". When one considers the difficulties confronting the free world in terms of an economic attack one must conclude this is not the time for the kind of speech that was delivered here this afternoon with such relish.

But now I wish to draw attention to the remarks made by the Leader of the Opposition as reported in the *Times* of London supplement of November 24. The article opens with the following words:

As 1958 draws to a close, Canadians can look at themselves and at their world with both confidence and concern; confidence in themselves, concern not so much with matters strictly domestic as with what is happening in the world about them, the consequences of which—political, social and economic—they cannot hope to escape.

The hon. gentleman then proceeds in this article to set out the dangers because, after all, he is exporting the truth. He pinpoints the dangers of the situation and then continues with a most interesting statement. I will ask him when he has an opportunity to reply how he can possibly reconcile the statements he made today with those in the article I have before me. The article states:

Many of Canada's current problems are similar to those that are troubling other free democracies:

Some hon. Members: That is true.

Mr. Diefenbaker: The hon. gentleman can endeavour to smile it off but in this article he was telling the truth.

Mr. Pickersgill: It was equally true in 1956.

Mr. Diefenbaker: Today, however, the hon. gentleman endeavoured to paint a somewhat different picture. I wish to repeat the words he used in the article to which I have referred:

Many of Canada's current problems are similar to those that are troubling other free democracies:

Mr. McIlraith: But they have governments that are trying to meet them.

Mr. Diefenbaker: Mr. Speaker, interruptions such as that are not helpful. We on this side sat and listened without interruption.

Mr. Pickersgill: What about the Minister of Finance (Mr. Fleming)?

Mr. Diefenbaker: He asked a question.

Mr. Pickersgill: He made a speech.

Mr. Diefenbaker: The article continues with these words:

Many of Canada's current problems are similar to those that are troubling other free democracies: dealing with inflationary pressures and recessionary trends at the same time; reconciling the demands for more governmental intervention to advance social welfare with the preservation of individual rights and the encouragement of initiative.

Today the hon. gentleman tried to leave the impression that we in Canada were in a different position. When he wrote this article he realized the situation in other democratic countries of the world. He realized, for instance, the fact that the United States finds itself in a similar position to that which we are in, with some 4 million unemployed and with trade difficulties. But nowhere in the United States does one find an attitude such as was revealed here today with such apparent relish, as the hon. member referred to circumstances to which I shall also shortly refer as being in large part the inheritance of this government.

Mr. Pickersgill: I thought it was "world conditions".

Mr. Diefenbaker: The article goes on to state:

Canadians do not underestimate the difficulties ahead especially for a country that has given a formidable hostage to fortune in the form of such a heavy dependence on foreign trade for her prosperity. There is, however, a strong spirit of optimism among the people, and a feeling that Canada's destiny is as bright as that of any country in the world.

Between November 24, 1958 and January 19, 1959, what a change of viewpoint has occurred on the part of the hon. gentleman. Not satisfied with having said that he continues in the article to depict Canada's national pride and concludes by saying:

Canada is growing up in troubled and dangerous times, amid persistent and complicated problems, domestic and international. But what is important is that she is growing up—

Oh, Mr. Speaker, that is true. The article continues:

—she is becoming stronger and more mature as a nation. It is the desire of Canadians to use this strength and maturity not merely to build a sturdy nation as the northern half of the American continent, but also to play a worthy and useful part in the achievement of the goal on which all humanity's hopes now rest in this nuclear age—international peace and security.

Mr. Speaker, those were not pious words; they were facts. They were not debating points; they were the truth. In so far as the major portion of his remarks is concerned in connection with the economic situation in Canada, I give, to begin with, the *Times* of

London supplement of November 24, 1958, which bears out in every degree the viewpoint of this government and the feeling of the Canadian people.

I do not intend to traverse the points one by one, but I have lined up some of them as they have been delivered. I am going to commence with the general remarks that I have made by joining with him in one thing with which I agree, namely in the congratulations extended to the hon. member for Provencher (Mr. Jorgenson), an outstanding farmer, and to the seconder, the hon. member for Montmagny-L'Islet (Mr. Fortin), who, he was able to say, is a third generation Canadian occupying the position of a member of the House of Commons. He was able to speak of the Canadian unity that we are bringing about in Canada and which is the desire and objective of each and every one of us.

I think I ought to say a word of congratulation to the hon. member for Grenville-Dundas (Mrs. Casselman), another lady member of the House of Commons and the daughter of the hon. member for Dufferin-Simcoe (Mr. Rowe) and herself a widow of the former dean of the House of Commons. I would also like to add a word of congratulation—and all these arguments were used in the constituency of Springfield—to the new member for Springfield (Mr. Slogan), and also to the hon. member for Trinity (Mr. Hellyer), a former member of the House of Commons and a member of the Privy Council. I say to him in his capacity as a member of the House of Commons my hope is that he, and also the hon. members I have mentioned, will make his contribution to a better Canada and to the highest possible standard of the House of Commons.

Having said that, I wish to mention one other thing which was very interesting. Today my hon. friend used a kind of buckshot speech in which he shot at everything, but he left one or two questions to his co-operative friends to the right. That was very interesting indeed because it has been very obvious lately that that co-operative spirit between the Liberal party that he now leads and the members of the C.C.F. has grown to such an extent that when the Liberal party had its federal national meeting, the postmortem, a few weeks ago, they called in a leading member of the C.C.F., namely, Mr. Dodge, to tell them what was wrong and what had happened. There was that kind of co-operation, Mr. Speaker, but nonetheless I noticed today the great desire of the Leader of the Opposition to pass on to his hon. friends to the right certain problems which were left for them to discuss. That co-operation is certainly even apparent here.

Now, sir, may I speak for a moment on the international situation, and I would only say a word in that regard because, as the Leader of the Opposition said, my hope is that an opportunity will come shortly for a discussion of these questions. In particular, I will then have the opportunity of being able to say something regarding the trip which I took, and the visit which I made, not only to four NATO countries of Europe but also to the countries of the commonwealth in Asia, and to Australia and New Zealand.

While I have seen that some of my hon. friends have expressed doubts as to this world tour, I would remind them that when my right hon. predecessor went on that tour the members of the opposition of that day joined to a degree which is unusual in parliament and pointed out in unanimity the fact that it was a necessary trip to be taken, one that would be helpful and beneficial not only to Canada, but generally. That happened on January 29, 1954, when the right hon. gentleman spoke of his proposed trip. He was followed on that occasion by the then leader of the opposition, the Hon. George Drew, who used these words, as reported at page 1583 of *Hansard*:

> As he has said, understanding, a feeling of co-operation and a deep and close interest in the countries of Asia are today an essential part of the building of the kind of free world in which we all believe. Naturally the first concern of all of us will be the development of any closer and more effective association which may be established with the nations of the commonwealth that are found in Asia at this time.

Mr. Coldwell went on to join with him in words of approbation. He pointed out that:

> The people of Canada will be well served by the Prime Minister as their ambassador, not representing any party and not even in the capacity, shall I say, of our Prime Minister, but rather in the capacity of a Canadian ambassador of good will making a tour of the world.

My hon. friend has done this, and so has the hon. member for Essex East (Mr. Martin). I found wherever I travelled in Asia that he apparently had been there before, and I found the same with regard to the Leader of the Opposition. They left behind them a legacy of good feeling and gained a knowledge which was shown in the debates in the House of Commons thereafter, which again was beneficial not only to those who have honoured them but also the house in general, in consequence of the visitations which were made.

As far as what my hon. friend said on the international situation is concerned, with the

exception of the fact that today representatives of the U.S.S.R., the United States, the United Kingdom and other countries in the free world are at least talking things over together, there has been no act in recent weeks which would indicate any major amelioration of the attitude of the cold war which has prevailed. Indeed, as I came back to Canada I began to realize the great danger today to the Asian countries and finally to us in this economic offensive launched against Canada and the United States. Because the defences of the free world have been maintained the only way in which freedom can be undermined is through the economic influences, detrimental as they may be, that may be launched on the part not only of the U.S.S.R. but also of communist China. Indeed, it is very striking in this regard that in connection with cottons—and I digress merely for a moment in this—which the British, and the United States, can supply at $1, in the various parts of Asia they are being supplied at 60 cents by Japan and at approximately 33 cents or 34 cents by communist China. In other words, there is an offensive in trade that is bound to be one of the most challenging dangers of the days ahead.

It is because of that, if we in Canada are to meet it, dependent as we are so greatly on trade, that every consideration must be given to the end that the expanding trade of the past shall be continued. One of my prides in the administration springs from the fact that in spite of the tremendous competition in 1957, particularly in wheat and the like, Canada exported more wheat than in the previous year and greater than the average at any time in the preceding five years.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Diefenbaker: Mr. Speaker, at the time of adjournment I had just commenced to refer to one or two general matters and I intend to continue on that course for a few moments. Then, at the end of that time, I shall meet certain phases of the arguments advanced this afternoon by the hon. Leader of the Opposition.

I was somewhat surprised at the jocular manner in which he dealt with Canadian-United States relations, an attitude of jocularity which I did not regard as in keeping with the responsibilities which he had discharged for so long as Secretary of State for External Affairs and also as ambassador to the United States. He indicated that there was little change in the relationship between Canada and the United States. I would point out that when he referred to some of the economic acts of the United States during the last year and a half, he might have referred also to a series of acts throughout the years on the part of the United States in respect of which it was quite clear, and I have the evidence here, that the then government of this country raised little or no objection. Indeed, on two occasions protests were made, and while this afternoon he exhibited shocked surprise that there had not been any reply to one or two of these casual objections raised by the United States, I might say that I well remember the Right Hon. C. D. Howe saying on occasion, we sent them a couple of notes but we did not get any reply; we did not expect any.

So far as our relations with the United States are concerned, there has been something in the nature of a change in that regard. As a matter of fact, the visit of the members of the Canadian parliament to the United States congress was one of the most successful pilgrimages on behalf of our common dedication between these countries that has ever taken place. In that connection, I should like to refer to the *Financial Post* of January 17, the heading on which is, "Canada gains Congress Ear". I quote:

> A major improvement in Canada-U.S. economic relations may have occurred with the agreement on a Canada-U.S. interparliamentary group.
>
> This was the solid accomplishment of the Washington conference of nine Canadian senators and m.p.'s and congressional members of the new house and senate Canada subcommittees.

Then, there is another article in the same issue which reads:

> A "Massive Demonstration" of U.S. Attention to Canada.
>
> History was made in Washington with the visit of the nine Canadian parliamentarians to the U.S. capital.
>
> Washington rolled out the reddest red carpet it has ever displayed for a visiting group of fellow legislators.
>
> More fuss was made over the Canadians than over any group of visiting firemen in decades.
>
> They got almost as much attention as did Queen Elizabeth or Anastas Mikoyan on their Washington stopovers.

Rather than being met by words of ridicule, I would have thought we would be met with words of appreciation of the fact that, while we have our differences, those differences are not insoluble; that each of us owes it to our respective countries to ensure that the stand of our respective countries be made known.

As a matter of fact, my hon. friend made a speech in the United States in November, and when he speaks of harsh words I must say that some of the words he used on that

occasion respecting the fact that the United States had, for too long, taken Canada for granted would have, if spoken by any member of this house, been subject to his condemnation. Even today, there is a step forward in that relationship. We Canadians have been most anxious to assure the maintenance and preservation of our sovereignty in northern Canada. Those areas are of maximum importance, not only from the point of view of defence but also from the point of view that they hold vast mineral resources.

Well, the D.E.W. line was built and little consideration was given to Canada. The hon. gentleman was secretary of state for external affairs when this was done. Today, we moved a step forward. The major stations on the D.E.W. line have been, in the past, manned by United States officers with a Canadian liaison officer. We have now reversed that and Canadian officers will man these stations and there will be one United States officer as liaison officer. What is more, we asked for that when in opposition and the answer invariably given was one of indifference. Now that the hon. gentleman is in the opposition he suddenly sees that in all the years he was a member of the government there were attitudes taken toward the United States which were not in keeping with Canada's sovereignty or the responsibilities of Canadian nationality. Furthermore, of the civilian personnel on these stations, 645 of the 790 are now Canadians and these civilians are paid by the United States. This is a step in the direction of ensuring that in the northern territories there shall be no misunderstanding as to whom those areas belong.

Today, a joint announcement was made by the Minister of National Defence (Mr. Pearkes) and the secretary of defence of the United States along the lines that I indicated. Now then, I come to one other subject.

Mr. Martin (Essex East): That announcement should have been made in this house.

Mr. Diefenbaker: Mention was made today of the Arrow. I have before me the vacillating record, if I may say with great respect, of the Leader of the Opposition with regard to this matter. I am sure there was not that measure of agreement between him and the hon. member for Trinity (Mr. Hellyer) during the by-election in that constituency in connection with this subject which one might have expected. Defence today is costly. I think this was well summarized by the President of the United States when he said this:

> The over-all cost of introducing Atlas into our armed forces will average $35 million per missile on the firing line. This year we are investing an aggregate of close to $7 billion in missile programs alone. Other billions go for research, development, test and evaluation of new weapons systems.
>
> Our latest atomic submarines will cost $50 million each, while some special types will cost three times as much. We are now ordering fighter aircraft which are priced at fifty times as much as the fighters of World War II. We are buying certain bombers that cost their weight in gold.

In other words, there has been a fabulous increase in those costs. In so far as the Arrow is concerned, in the month of September I made a statement on this matter. The responsibility to act rests on this government. The hon. gentleman suggests that a committee be set up for the purpose of determining this question.

Mr. Pearson: I did not say that.

Mr. Diefenbaker: He suggests that a committee be set up. If it is not to determine, it is to recommend.

Mr. Pearson: I never said that.

Mr. Diefenbaker: Oh, it is just a committee to be set up. He just wants the committee to sit, Mr. Speaker. As far as we are concerned, we made our position clear in the month of September. The views then expressed have not been changed in the intervening months in consequence of the consultation that has taken place in this regard. It is the kind of decision that is not to be taken lightly. It has caused lengthy, almost endless discussions and consultations. What did the hon. gentleman say with regard to this matter? I have here a few quotations as to what he would have done. He starts off by a speech in Edmonton on the subject and he says this:

> We decided when in office two and one-half years ago to go ahead with the CF-105 and review it year by year in the light of developments.

Then here is the statement that he made a little bit later on during the course of his tour:

> Mr. Pearson said when previous Liberal government decided two and one-half years ago to authorize work on the CF-105 Arrow, the intercontinental ballistic missile seemed then to be "many, many years away."
>
> The Liberal government had reviewed its decision every six months. Had the Liberals been in office when the first I.C.B.M. was fired Mr. Pearson said, "this would have been a major factor in possible revision of our decision."

Then he said this:

> The Conservative government should have cancelled the Arrow production order this fall instead of waiting until next spring.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: That is the statement that he made. That is from a Canadian Press dispatch.

Mr. Pearson: That is a Canadian Press account of what I am supposed to have said which I corrected the next day with the Canadian Press, and then the correction was reported.

Mr. Diefenbaker: Mr. Speaker, I have the entire record here.

Mr. Pearson: The right hon. gentleman has not it all.

Mr. Diefenbaker: May I say, Mr. Speaker, that I doubt whether the press can keep up with the perambulations of the hon. gentleman. Then he comes along and makes his statement today, and I doubt if you or anybody else, Mr. Speaker, can come to any conclusion as to what he means on the subject. He is on this side and he is on that side. There are difficulties in the way. He asks a question on one occasion. Again he may rise if he wishes to deny that he made the statement, that it should have been concluded in the fall. In other words, a decision should have been made in the fall.

Mr. Pearson: When you said it was going to be made, the minister said it was going to be made in the fall.

Mr. Diefenbaker: This is after the event. It is made perfectly clear that we are going to have the support of the Leader of the Opposition in the event that there is a finalized decision in this regard. All the way along he says, "Are we moving out of our own league?" In Edmonton he says, "Are we getting in too deep?" He also said: that the United States had to keep up with each new costly defence development, but Canada should not have to follow suit.

Then again we find another Canadian Press dispatch quoting the Leader of the Opposition as saying that the decision to cancel the Arrow production order should have been made in the fall instead of waiting until March.

The hon. gentleman now says that he corrected these statements next day. As far as we are concerned in connection with this matter we made our decision clear on September 23, 1958, in the statement which I made at that time. At the time the statement was made the situation was particularly dangerous in Quemoy and Matsu islands and in the straits. At that time there were those who felt that a major war might very well break out, that it was within the realm of possibility. If the decision had been made then, it would have brought about the demobilization of the technical men who, in the event that hostilities came about, would have purposes other than the production of the Arrow which would be found necessary in Canada. That was the reason for the stand which we took and made clear. No one who makes a decision such as that can possibly do so lightly.

Since the ICBM's and latterly, the launching of lunik, it is apparent that there has been a tremendous change in the techniques of potential war. It is a disagreeable course. Let me make this matter perfectly clear. Lobbies will have no effect on the decision that this government makes on the question of defence. That statement applies generally. While the government will at all times welcome suggestions, ideas and arguments, I think the experience generally has been that the stronger the lobby, the weaker the argument.

I am now going to deal for a moment with one or two matters in the speech from the throne. I am not going into the detail into which the hon. gentleman went this afternoon but I am going to meet one or two of the arguments which he advanced and which are somewhat threadbare and tattered. They have been used over and over again with the effectuality that the hon. gentleman must realize unless he is getting his opinion from the grass at $25 a dinner.

In the speech from the throne we have set forth the legislative program which includes various fields of legislative enactments and amendments to existing legislation. There is one matter to which I want to refer and to which the hon. gentleman did not refer, namely the item dealing with the setting up of an energy board. We have the recommendation of the Borden commission in a preliminary report. So that there will be no mistake or misunderstanding, let me say this. No prior knowledge of the contents of this report were in the possession of any member of the government. The facts that reports by royal commission are made does not indicate or mean that in every or in any particular they will be carried out, when in the opinion of the government, which accepts this responsibility, those recommendations are detrimental in any way.

I want to make that perfectly clear at this time relative to the various recommendations contained in that report. We will deal with that question when this particular matter comes before the house in the form of a bill.

Now I am going to return to the speech of the hon. gentleman—a speech consisting for the most part of lamentations but with no indication of what suggestions the opposition have to offer, excepting the inference that taxes should be raised, higher interest rates secured and credit restrictions imposed—a speech full of colourful language—jeremiads usually are—and full of forebodings, not uttered with the usual smiling face, except

when the hon. gentleman neared the end of his speech, but in lachrymose and funereal tones, spoke about paradise regained. As I listened to his speech I thought of what concerned him most was the paradise lost.

A year ago I had the pleasant duty of congratulating the Leader of the Opposition on his first speech following his election as the leader of the Liberal party. However, I cannot congratulate him to the same warm extent on the speech he made on this occasion. The amendment this year was apparently not drawn up by the brain trust. It is an interesting amendment; it deals with one matter in particular, after a kind of buckshot attack in every direction. I am going to meet it in a very few words at this point.

Last year there was discussion of an economic report. I produced the economic report, as we produced the report for 1957, at exactly the same time and on almost the same date in the year following. What did they do? They had the report but they did not act; they concealed the situation from the Canadian people. Over and over again they tried to disavow themselves of having done that, though without too much success. The record spoke. We found ourselves approaching a recession. The government had been warned, yet the remedies which the hon. gentleman suggests by inference today were entirely omitted in 1957.

Mr. McIlraith: Because the Tory government was not competent.

Mr. Diefenbaker: I want to say to the hon. member that this is the third or fourth time he has made interjections. I spoke once of the cuckoo repeating himself and not being listened to.

In the year just ended, Canadians worked more, earned more, spent more and saved more than in any comparable year in the history of this country. The economic report of 1957 contained a clear and cogent warning of the recession to come. The opposition does not like to hear this, but they acted contrary to what the economists said was the proper action to take having regard to the circumstances. They ignored the recommendations; they seemed to be paralysed by deep-rooted complacency; they budgeted for a surplus at the time when the leading business indicators such as residential construction were plunging down. What is worse, they made no plans to meet the recession of which they had been warned.

What of the economic report of 1958? That report predicted a continuing recession. We took that warning to heart. We planned the budget accordingly, accepting a deficit as the answer to unemployment. It is because we acted in that way that the 1958 forecast and report proved to be more pessimistic than the actual events warranted. That it will be significantly better than the report forecast was not due to faulty forecasting but to energetic action taken by this government. I should like to go into a little more detail in this connection. I can see the dilemma in which the hon. gentleman finds himself. When he was asked the question: is it unemployment or is it inflation which is the serious problem today, he answered by a multitude of words but refused to place himself firmly on one side or the other. When he came to draw up the amendment he made sure that he was not in any way taking one side or the other. A terrific problem was facing the government, as the hon. gentleman so frankly admitted in that article in the London *Times* —not necessarily one of whether to formulate economic policies to fight unemployment or inflation but rather to develop a set of policies adapted to changing economic circumstances that appear to be in the offing.

The Leader of the Opposition charges the government with complacency and wastefulness. He dealt with the fear of unemployment, and then he spoke of inflation, which is a Janus-faced approach. On the one hand he said: eliminate unemployment, and on the other side he said: do not have a deficit, no matter what the cost may be, in order to alleviate the situation. During last year's election, where was he then? He advocated a deficit over and over again. He said this was the proper type of financing to meet a recession, and at the same time he advocated multitudinous dollar expenditures, tax cutting amounting to several hundred million dollars, tax holidays. Oh yes, we admit there is a problem, and one that has not arisen before, where there is unemployment while price levels generally are rising. The immediate problem was one of recession, which we inherited. We acted with regard to this matter with energy and vigour and all objective analysts agree that we achieved success.

What did we do? We budgeted for a deficit and at the same time we increased welfare payments. Did hon. members ever hear anything to equal the lachrymose concern which the leader of the Liberal party showed today over the increase of $9 in old age pensions? But they would not do anything about it when they had an opportunity. He said that the old age pensioners $9 had been reduced by $2 as the result of inflation. Taking his own figure of 4 per cent, where does the $2 come in? It is just another example of the kind of exaggeration in which the Leader of the Opposition indulged today. We reduced taxation; we provided effective support for

the housing industry; we increased public works and public investment, and the figures in this regard when they are placed before the house will once more reveal that we have produced tens of thousands of jobs in consequence of that policy.

According to the 1958 report it was felt that the gross national product would remain almost unchanged with a possible increase of .7 per cent. In point of fact it increased by 2 per cent.

Mr. Pearson: Through inflation.

Mr. Diefenbaker: The hon. member says "through inflation" but I would remind him that the previous year and the year before it was in the same position when he and members of his party were boasting on this side of the house.

The 1958 economic report predicted that total wages and salaries of Canadians would decline as compared with 1957 by 1.1 per cent. Instead of that wages and salaries increased by 1.6 per cent or some $300 million. Disposable personal income increased in 1958 by 6.3 per cent or approximately $1.3 billion largely I will admit, by the marked increase in welfare payments. Personal direct tax declined by 7.8 per cent during the year. Agricultural cash income to which reference will be made at length, as it was in the opening speech of the hon. member for Provencher, was up in 1958 by 8 per cent. Net farm income increased 22.4 per cent although it was predicted in the report the increase would be only 3 per cent. In view of this, why these doleful statements on the part of the Leader of the Opposition describing the situation in Canada as though it were one wrapped in gloom?

Interest dividends and net real income rose by 6.5 per cent or some $200 million in round figures. Other disposable income rose by 4.5 per cent.

The Leader of the Opposition today mentioned Mr. Muir of the Royal Bank of Canada. If I read the annual report correctly profits for the year for the Royal Bank, after providing for depreciation and income tax, amounted to $15,868,329 as compared to something just over $13 million in 1957.

Mr. Benidickson: With a conversion loan, they could not lose.

Mr. Diefenbaker: I mention that, Mr. Speaker, simply to illustrate how serious things are based on the measurements supplied by the Leader of the Opposition. As I have said, these increases added up to an expansion of disposable personal income in 1958 of $1.3 billion which translated into real per capita purchasing power reveals an increase in 1958 of 1.6 per cent compared to a 1 per cent decline in 1957. The large increase in disposable income was not all spent. Consumer spending did increase by about 4 per cent in 1958 but personal savings increased to about 9 per cent of disposable income as compared with 7 per cent in 1957.

I have before me the record from my own province of Saskatchewan which I wish to read in answer to the professional gloomsters. I shall read from the sales record of the Saskatchewan retailers for the year 1958. Retail sales reached an all time high amounting to $883 million in round figures compared to $848 million for 1957. Purchases per person increased by approximately $43. Grocery and combination stores in Saskatchewan gained almost 9 per cent in sales in 1958 over 1957 while general stores had estimated sales amounting to $83 million in round figures in 1958 as compared to $80 million in 1957. Automobile dealers had sales in 1958 amounting to $181 million in round figures as compared to $177 million in 1957. The income of service station operators went down by about $2 million to $50,600,000. The hardware stores had a good year. I could continue to cite illustrations of increases from this record.

The Christmas season is not long past and everyone knows that not for years has there been the kind of spirit displayed on the part of Canadian consumers as was the case this year. Christmas sales increased this year beyond anything that has heretofore been recorded.

Mr. Pickersgill: Tell that to the people of Newfoundland.

Mr. Diefenbaker: With the inheritance we had of the recession and realizing there would be a certain decline in private investment, I mentioned a moment ago that this government undertook an increased program of public works and provided a massive stimulus to the housing industry, the result of which is as follows. The report predicted that new residential construction would increase by 13 per cent and largely because of this government's initiative and the action of the Minister of Public Works (Mr. Green) the amount of the increase was 23.7 per cent. These are the facts, not the type of statements that are based on generalities that are the product of the thinking of what my hon. friend calls the grass.

Carloadings are always a singularly useful indicator of changes in the economy. Carloadings made strong gains in the year and continued the upward turn taken in mid-December.

Mr. Pickersgill: What about railway earnings?

Mr. Diefenbaker: In the last ten days of the year ending December 31, 1958, carloadings jumped 23.2 per cent to 81,325. It was less during the year and carloadings were down 6.6 per cent but in the latter weeks of the year they reflected the same stimulus that is taking place everywhere and to which reference was made today by the President of the United States in his message. While automobile production was down in 1958 by 2.6 per cent there was a 51.1 per cent rise in December.

Mr. Martin (Essex East): And more unemployment than at almost any other time.

Mr. Diefenbaker: As a matter of fact the hon. gentleman who interjected will remember he has always been taxed with unemployment in his particular locality and has often referred to it.

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

Mr. Diefenbaker: Oh, yes it is.

Mr. Martin (Essex East): There are 14,000 unemployed in my constituency.

Mr. Diefenbaker: Mr. Speaker, I have been pointing out that we have passed through difficulties but I remind hon. gentlemen that we inherited difficulties. Oh, they cannot deny it. The people heard the story, and they had the facts and they knew.

Mr. Chevrier: The people are getting tired of this story too.

Mr. Diefenbaker: I do not wish to convey the impression of placing more reliance on Gallup polls than is proper but I might point out to the hon. gentleman that our position has gained by 3 per cent over what it was on election day.

Mr. Pickersgill: Well, it has not in Springfield and Trinity.

Mr. Diefenbaker: I cannot hear these interruptions, Mr. Speaker.

Mr. Pickersgill: They are just facts.

Mr. Diefenbaker: Pardon?

Mr. Pickersgill: I just said you were not up in Trinity and Springfield.

Mr. Fraser: And you are up a pole.

Mr. Pickersgill: And those are the polls that matter.

Mr. Diefenbaker: With the indulgence of the house perhaps I may be permitted to ask the hon. member for Bonavista-Twillingate if he has been out there in Springfield?

Mr. Pickersgill: Oh, no.

[Mr. Diefenbaker.]

Mr. Diefenbaker: And he was not in Trinity?

Mr. Pickersgill: Oh, no.

Mr. Diefenbaker: Next time, I suggest that the hon. member go and visit them.

Mr. Pickersgill: But then neither was the Prime Minister.

Mr. Diefenbaker: I now want to deal with the question of exports. The Leader of the Opposition simply juggled figures today. Let me make that very clear. Exports in 1958 have held close to the record $6.4 billion level of 1957; he admitted that. On the other hand, imports declined by 10 per cent. The result is our trade deficit has been cut very sharply. With the United States the trade deficit in the last two years of the Liberal administration mounted and mounted. The hon. gentleman himself admitted that that condition of affairs could not be allowed to continue. Such deficits would ultimately bring about in Canada a situation detrimental to this country.

Our commodity deficit with the United States in the first ten months of 1958 declined to $589 million from $983 million for the same period in the previous year and from a total of some $1,190 million for the whole year of 1956. Britain's share of Canada's imports has increased from 9 per cent to 10 per cent and our purchases from other major overseas trading areas have been reasonably well maintained.

I mentioned this afternoon the question of wheat export. There is no problem more difficult than maintaining our markets abroad for wheat. In the year 1958 wheat exports reached 316 million bushels, up from 267 million bushels the year before. Beef exports —I am going down the line because the hon. gentleman did not tell the story today—increased markedly and the export value surpassed $100 million for the first time in a period of seven or eight years.

With respect to agricultural income, of which one hears so much, I have already referred to the net income and also to the cash income. Earlier I said more was earned in Canada last year. Personal income increased by some 5 per cent.

As far as the gross national product is concerned, it now amounts to more than $32 billion; in volume terms it is about the same as in 1957, but it is still some 7 per cent above the 1956 level, compared with the United States gross national product which was only 2 per cent above the 1956 level.

Why should there be such a picture of Canada in the doldrums, with fear in the hearts, when the facts are that while we have

passed through difficult times, we are now moving upwards? That is, in large measure, owing to the action taken by this government.

I mention housing. Housing starts reached 163,000, 30 per cent above last year. The Leader of the Opposition asks, "What have you done?" As a matter of fact, it is chiefly owing to this remarkable expansion in housing that the decline in non-residential construction, in plant, equipment and so on, was almost completely offset. In 1958, total capital outlays, private and public, were about the same as in 1957. All of these things are indicative, not of Jeremiahs such as the Leader of the Opposition but the facts that will give to the Canadian people some realization of the fact that while there have been difficulties, and there are conditions that have yet to be met, we are starting back.

As a matter of fact, in tonight's issue of the Ottawa *Journal*—

Mr. Chevrier: Will the Prime Minister permit a question?

Mr. Diefenbaker: Yes.

Mr. Chevrier: Will he give the house the latest figures on unemployment?

Mr. Diefenbaker: I will give the latest figures I have; in just a moment I will come to that. Even in tonight's Ottawa *Journal* there is an item which is in answer to Jeremiah's lamentations.

Montreal, January 19.—The trend towards more construction in Canada should continue this year, with a total of perhaps $7,500,000,000, Harold J. Ball, of Kitchener, Ontario, president of the Canadian Construction Association, said today in an address to the association's annual meeting.

This would be a record, somewhat ahead of 1958's figure of more than $7,000,000,000.

Mr. Ball added:

"This means the employment of over 625,000 Canadians in construction operations and an even greater number in manufacturing, transporting and merchandizing construction materials and equipment, or supplying services dependent upon construction activity."

Then, on the same page I find the following:

Toronto, January 19.—Construction contract awards in 1958 established a new record of $3,593,709,200, says Hugh C. MacLean Building Reports.

The total is $699,541,100—or more than 24 per cent—higher than 1957 and $166,803,700 higher than the previous record year, 1956.

Just one further reference to the question of trade; some mention was made of the imports to Canada and Canada's balance of trade. In connection with the table on trade for 1958, as I said a moment ago, there has been a very striking decline in the Canadian trade deficit. The decline was largely the consequence of the change in our trade position with the United States. It goes on to point out in that report that the situation is improving in so far as our trade deficit with the United States is concerned, which the Leader of the Opposition, if he is going to be true to what he said last year and two years ago, will agree was a situation dangerous in its import if continued for any length of time.

Then, you say to me, how about a comparison between Canada and the United States? No amount of argument or equivocation on the part of the Leader of the Opposition can answer this fact, namely that the recession began here in Canada and was under way before it was under way in the United States. I want to compare the course of the recession in those two countries. It can be done very simply. If one wants the facts he should read the reports. Here is a booklet entitled, "Recession in Canada and the United States". It is a statistical comparison issued by the queen's printer, a special reprint from the *Canadian Statistical Review* of October, 1958. This brief study shows that, aided by large scale support from the government, the Canadian economy came through the recession much more smoothly than did the United States. Canadian industrial production fell only one-half as much as United States industrial production during the recession, namely 7 per cent as against 13 per cent. I mentioned a moment ago Canada's gross national product. At the same time there was an increase of 7 per cent in 1958 over the 1956 level, the United States gross national product was only 2 per cent above the 1956 level.

Housing; I have already mentioned the record in that regard in Canada which, compared with the United States, indicates that in the United States the total expenditures for housing were nearly 10 per cent under the level of 1956, and 13 per cent under the record year of 1955. In the United States downward pressures existed in both residential construction and private investment.

What do other countries say about us? The New York *Times* on January 14, 1959 reported the following statement by the chairman of the committee of Canadian investment companies:

The speed and effectiveness with which Canada has moved to counter most of the recessive trends of late 1957 and early 1958 continue to demonstrate the high calibre of leadership which Canada has available to foster her long term economic growth.

Wails and lamentations from the Leader of the Opposition! What about the *Financial Post*? There is a remarkable demonstration of confidence to be seen when one compares business leaders' forecasts in the survey of December 1957 with the similar survey in December 1958. The last survey of December 1958 showed a completely changed mood on

the part of business leaders that was almost general in viewpoint whereas a year ago recession was uppermost in their minds. I think a fair summary of that issue of the *Financial Post* and the views of these leaders is that we may confidently expect moderate expansion this year. Whereas last year they anticipated no growth in the national product, this year they expect moderate growth but no boom.

These are but a few examples of what I am trying to place before the house, and the Leader of the Opposition does no credit to himself in building up a picture that is sombre, fearful and awesome, destructive as it must be coming from a person holding a position such as his.

I am going to refer to inflation for a moment now. The Leader of the Opposition just discovered it today. Let us see what the record is in connection with inflation. He spoke of inflation as a time bomb and he may be right. Set by the former government! Yes, he indulged in post mortems today. I am going to look at the record over the years and let him see why it is that I found it difficult to understand when he painted this sordid picture of the tremendous inflationary trend today.

Mr. Pearson: With a recession.

Mr. Diefenbaker: One would expect to find that inflation reflected in the consumer price index. The index in December showed a slight reduction. Over the last year it has risen only 2.5 per cent. How modest this rise is may be seen when it is compared with the rise of 6.3 per cent in 1945-46. From December, 1946 to June, 1948 a period of 18 months, the increase was 21.2 per cent. From June, 1948 to December, 1949 the increase was 4 per cent; from December, 1949 to June, 1951, 13.1 per cent; from June, 1951 to December, 1952, 1.8 per cent; from December, 1952 to June, 1953 a decrease of .8 per cent; and from June, 1953 to December, 1954 an increase of 1.5 per cent. All of this indicates that the inflationary trend has been with us in abundant measure since the end of the last war and long before.

As a matter of fact when you look at the purchasing power of the consumer dollar, taking 1949 as the base year, we find that in 1936 the 1949 dollar would have had a value of $1.64 and in 1937 $1.59. Down it went and by 1939 it was $1.58 and by 1945 $1.33. In 1949, when the new base was established, it was $1.00. In 1950 it was 97 cents, 88 cents in 1951, 86 cents in 1952, 87 cents in 1953, 86 cents in 1954 and 1955, 85 cents in 1956, 82 cents in 1957 and 79 cents in 1958. It has been continuing this trend all along. I ask you to average these figures throughout the years and simply ask yourselves this question. Why is so much being said at this time in respect of a problem that has been ours throughout the years?

There is something else that was interesting. The hon. gentleman found deficits. He had never heard of deficits before. Well, I have the record of the deficits too. I do not want to put them all on the record but I think it is only fair that the people should know what the actual situation is. There have been budgetary deficits in 21 of the last 36 years.

Mr. Pearson: How many years of war?

Mr. Diefenbaker: Today a deficit is a terrible thing. From 1935 when the Liberal party came into power to 1957 there were 14 deficits, part of them in wartime from 1940 to 1945. I subtract those but I point out the number of times there were deficits throughout the years while the former government was in power.

I come to the matter of unemployment. I mention these things just to keep the record straight rather than to have it befogged by extravagant statements made in exaggerated language. I realize the situation and the seriousness of it. I realize the need of action being taken and I have pointed out the action that has been taken. It is one of those positions in which we find ourselves. In the event that we place money into the stream and expand credit, there is an inflationary trend. If we do not, we allow those who are unemployed to suffer. There is one of the major problems that economists have not been able to answer today, the unusual position with which we are faced. I think it requires action on the part of all of us.

I am deeply moved by what Cardinal Léger did yesterday when he called for the creation of mixed commissions of management and labour and asked responsible people everywhere to do their part to meet the situation. But I think it is only fair to refer to the figures throughout the years because one would think that this situation had just arisen recently. Going back to 1945 and taking the number of persons without jobs and seeking work as a percentage of the civilian labour force, we find that on November 17, 1945 the figure was 3.8 per cent. In February, 1946, it was 4.7 per cent.

Mr. Pickersgill: Would the Prime Minister permit a question? Are these labour department figures or D.B.S. figures?

Mr. Diefenbaker: These are D.B.S. figures.

Mr. Pickersgill: Were D.B.S. figures kept that far back?

Mr. Diefenbaker: It continued on and off until 1949, when in March it was 4 per cent; March 4, 1950, 6.1 per cent. Then, we go through a period of years and you find this, again in February and March of 1954, it was 6 per cent and 6.1 per cent; in January, February, March and April of 1955, it was 6.7 per cent; 7 per cent; 7.4 per cent and 6 per cent; in January, February, March and April of 1956, it ranged between 5.2 per cent; 5.5 per cent; 5.3 per cent and 4.6 per cent; again, in January, February, March and April of 1957, it was 5.3 per cent; 5.6 per cent; 5.9 per cent and 5.3 per cent.

I realize this fact, that we have in Canada a winter problem, and in order to meet that winter problem a municipal plan was launched under the auspices of the Minister of Labour (Mr. Starr), with which he will deal in particular. Let me point out that in the latest figures for October and November the percentage in October was 5.1 per cent and in November 5.9 per cent.

Mr. Pearson: Give the figures for the first four months of 1958.

Mr. Diefenbaker: The figures for the first four months of the year were placed on the record several times last session, but I have no objection to doing so again. They were 8.8 per cent; 9.4 per cent; 10 per cent and 8.6 per cent. This indicates that, with the exception of that recessional movement which is present everywhere in the free world, the percentage of unemployment, while high and definitely challenging and worrisome, is nonetheless now, I believe, giving way to the end of this recession. The president said that today in the United States with some 4 million unemployed. My hope is that we will be able to meet this by further action to be taken.

The winter works projects I have already mentioned—

Mr. Pickersgill: I wonder if the Prime Minister, before he leaves these figures, will permit a question?

Mr. Diefenbaker: Certainly.

Mr. Pickersgill: Can he give a comparison of the latest month this year with the latest month last year, the latest month in 1958 with the corresponding month in 1957?

Mr. Diefenbaker: When the minister speaks he will give the full record. I am just indicating that—

Mr. Robichaud: You are picking your own month.

Mr. Diefenbaker: —at a time when so much is being said about the situation in this country one should compare it with the United States. The figures, when compared with United States unemployment, indicate that we in this country are making the return from the difficulties in that connection. My hon. friends may speak of inflation, and of the effects, but I believe our first responsibility is to do everything we can to meet the problem which we, I repeat, inherited from the Liberal government.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Will the Prime Minister permit a question? I understood the Prime Minister to say that the situation was worse in the United States than in Canada. Does he think that the United States inherited the situation from the Liberal government of Canada?

Mr. Diefenbaker: You cannot have it both ways.

Mr. Pickersgill: That is exactly the point I was making.

Mr. Diefenbaker: I am very glad my hon. friend brought that up because, as I pointed out earlier, we went into the recession first and since then have been affected by the degree of United States unemployment. I am glad the hon. member brought that up.

I am not going to deal tonight with the question of agriculture except to say that we have taken action, and that action will be set out in detail by the Minister of Agriculture (Mr. Harkness) when he speaks. When I spoke in this house on August 30, 1958 I set forth a long term policy on behalf of agriculture. I pointed out the action we intended to take. Today we are taking that action and intend to introduce legislation at the present session to bring about something which, since the earliest days in Saskatchewan and western Canada has been requested, namely a system of crop insurance. In addition to that, we intended to meet a problem which, during the years, has been one upon which agriculture has demanded action, namely expanding credit.

Mention was made by the hon. gentleman of freight rates. He wrapped himself up in inconsistencies and he said, why was not something done? This is not a new problem. In 1948 the former government instructed the board of transport commissioners to proceed with an investigation into discriminatory freight rates to the end that equalization should be brought about so that those in the western provinces and maritime provinces should in no way unnecessarily be discriminated against; that is 10 years ago. They also set up a royal commission, the Turgeon commission. It met and in 1951 it

made recommendations, but with the exception of one small change, as I recollect it, the $7 million subsidy in respect of the bridge in the lake Superior area, no action was taken thereon.

Mr. Chevrier: On a question of privilege, Mr. Speaker, that statement is entirely wrong.

Mr. Diefenbaker: That is not a question of privilege.

Mr. Chevrier: The statement the Prime Minister has made is absolutely inaccurate.

Mr. Speaker: The hon. member will have an opportunity to make an explanation.

Mr. Diefenbaker: My hon. friend will be able to establish that, if he can.

Mr. Chevrier: I will, very easily.

Mr. Diefenbaker: It is not a question of privilege. I am saying they did not do anything effective during those years. They did one thing. They talked about inflation. They cried over it. During the period between 1945 and 1957, freight rates increased by 120 per cent.

An hon. Member: Better check that.

Mr. Diefenbaker: In any event, I am low enough at 120 per cent. They talked about inflation, but they took no action. They allowed freight rates to be raised. Last spring, when we met this problem—

Mr. Caron: Before the election.

Mr. Diefenbaker: Who made that observation?

Mr. Caron: I did.

Mr. Diefenbaker: It is apparent the hon. member for Hull does not know the facts. Let me tell you it was not before the election.

Mr. McIlraith: It was during the campaign.

Mr. Diefenbaker: No, not during the election; freight rates were raised and Bell telephone rates were raised. We postponed any action thereon until—

Mr. Robichaud: Until after the election.

Mr. Diefenbaker: —until after the election, and then we acted.

Mr. Robichaud: It is even worse; playing politics.

Mr. Diefenbaker: There are none so blind as those who will not see. We disallowed that increase because we said it was based on a wrong principle. It was based on a principle regarding depreciation into which I am not going to go now, but on that basis we said the increase was not permissible.

[Mr. Diefenbaker.]

In so far as the last application is concerned, there was no other course open to the government on the hearing of the appeal than to do as it did. A report had been made by a conciliation board. It was a majority report. That majority report indicated that there must be a major increase in the wage level which would have meant an increase in freight rates, if entirely allowed, of 19 per cent.

There are inequities in the freight rate structure. They have been aggravated through the years. We find ourselves in western Canada and in the maritimes subject to two pieces of legislation, namely the Crowsnest pass agreement and also the Maritime Freight Rates Act. We find ourselves, by horizontal increases, placed in an ever more difficult position. The Leader of the Opposition says "Why do they not act?" For 12 years the increases went on and the government of which he was a member did nothing. They simply gave instructions. We find ourselves in a position in which action had to be taken. As far as the Borden commission report is concerned, it refused to consider additional subsidies. Although it was contended before the commission that the Crowsnest pass rates were non-compensatory, no decisions were made in that regard. I am not in any way accepting the view that they are non-compensatory. However, the position which we took was this. We could do nothing else than take the action which we took. According to the statement made by the acting prime minister at that time in the month of November, we undertook to act as we are now intending to act as set out in the speech from the throne.

There is only one thing I want to make clear at this time so that there will be no misunderstanding in this regard as to the action we are taking. As far as the Crowsnest pass rates are concerned, from the time that I was a boy in western Canada in 1903 and all through the years those rates have been regarded as the Magna Carta of western rights. Those rights shall not be interfered with to the detriment in any way of western agriculture or western people in general.

We now come to the amendment. Last year's amendment was much more massive and contained many more terms. This one is much more simple. The hon. gentleman says that we have lost the confidence of the people. He smiled when he said that. He always does so when he makes statements like that. As far as we are concerned, the action that we are taking is based not on contradictory or confused policy. Those words would be descriptive of the government of another day. We have with decisiveness met the problems

as they have arisen. We intend to continue to do so. We realize the unemployment problem as it is. We have acted. We are now criticized for having acted in effect because, having placed $750 million in one stream, namely the housing plan, naturally there would be inflationary influences. I believe our first responsibility is to assure that everything will be done in order to meet the situation of those who, by reason of condition over which they have no control, find themselves unemployed. That is what we have done. We did it in connection with unemployment insurance. We extended the period. We did it in connection with the winter plan. We have done it in connection with housing, with public expenditures and with public works. That course we intend to follow in the days ahead.

As far as the Canadian economy is concerned, I have already told the story of the recession coming earlier than in the United States. We have had deficits. There is no suggestion of over-expenditures anywhere. We were obliged to meet the heritage of unemployment and worsening economic conditions which was left to us. The problems we face, as I said a moment ago, are unusual. No economist has an answer for them. I refer to unemployment and at the same time rising costs and inflation. Inflationary fires have burned since 1945. They have burned more rapidly than at any other time during the last year and half. The unemployment insurance fund has been reduced.

Mr. Martin (Essex East): It has been almost depleted.

Mr. Diefenbaker: We are obliged to do that. We must meet a situation today that among other things contributes to a deficit. But I believe the people of Canada as a whole want us to make the necessary expenditures to meet the spectre of unemployment as it is found. As I said a moment ago, and as the President said today, we are on the way out.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Oh, not in that way. We are on the way out of these difficulties. Recovery has been slower than had been anticipated because of the effect of the United States economy on ours. But as the President said in effect, we are on the way to a new plateau of full recovery. What we need today is not the kind of picayune attitude exhibited by the Leader of the Opposition but more hope and less fear. This amendment is one that was conceived in fear. Fear engenders fear. We on this side of the house have confidence in Canada, her present and her future. I simply conclude where I began with the words of the Leader of the Opposition when in that article in the London *Times* he expressed the situation in a way that any one could understand.

Mr. Pearson: Would the Prime Minister permit a question?

Mr. Diefenbaker: I am finishing now.

Mr. Pearson: I wanted to ask the Prime Minister if he would deal with one point before he finishes.

Mr. Diefenbaker: I know the Leader of the Opposition does not like this. I do not think it is good sense to endeavour to fill the hearts of people with fear. It is all right to make fair and strong criticism and to make suggestions as to what should be done. That is what parliament is for. The speech today was a sorry catalogue of the planting of fear in the hearts of people. You cannot build the cornerstone of political hopes for the future by endeavouring to place people who today have fear in a position of having greater fear, those fears created by the kind of speech that was delivered here today by the Leader of the Opposition.

Mr. Pearson: Mr. Speaker, I wonder whether the Prime Minister would deal with a point I raised in my speech in good faith when I asked him if he would consider interrupting the throne speech debate in order to bring forward the legislation with respect to unemployment which the government proposes to bring forward this session.

Mr. Diefenbaker: Having regard to the trend of the mind of the Leader of the Opposition today I will have to give the fullest consideration to that, because I would suspect that the purpose would be to instil greater fears in the hearts of the Canadian public.

Mr. Pickersgill: Legislation is not ready.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to join the others who have congratulated the mover and seconder of the address on having presented very excellent arguments based on a very difficult and weak case. I do want to say to them most sincerely that I feel each one of them did a first class job in carrying out that important duty, which the Prime Minister had assigned.

Most of my remarks will refer to domestic problems—problems facing the Canadian nation—but before proceeding I want to say that I believe the conquest of outer space which we see going on at this time is the most important thing which is happening in the world to-day and that as people look back on this time I am certain the actions of the free world in this regard will be very

important for our destiny. I suggest that at this session of parliament arrangements should be made to allow members to go into this question most thoroughly to see what attitude Canada should adopt, to determine what program we should follow and to decide whether or not, as a first choice through the United Nations or, as a second choice, through co-operation with other free nations, we may develop a joint effort in this regard.

I listened to the Prime Minister (Mr. Diefenbaker), and I listened to the Leader of the Opposition (Mr. Pearson) and each one of them made a good speech—a speech to infuse their followers and to put some fear—I heard that word very often—into their opponents. But those same speeches could well have been delivered in this house two years ago by the same persons sitting on opposite sides, except they would have had to exchange their notes.

We have a government in office at this time which has presented its third speech from the throne. This government, I think, came to office because of two main reasons. First, the Liberal administration had not dealt with certain very grave problems facing the Canadian nation, and secondly, the present Prime Minister and the men around him had been able to put forward very strong arguments and been able to capture the imagination of the Canadian people and persuade them that if they were given the powers of office they would solve the problems which the former administration had not been capable of solving.

What were these problems, and what were the arguments on which the Conservative government came to power? One of them, of course, was that this government would deal with inflation; that the erosion of the Canadian dollar would be stopped and the continual eating away of the value of social security benefits would be arrested. The Minister of Finance (Mr. Fleming) and the Prime Minister helped the government to come to power by pointing out evils which they attributed to the former government's tight money policy and high interest policy. That is one of the reasons why they sit where they do today.

How the government, when in opposition as the Conservative party, wept for the provinces; how they wept for the financial position of the provinces and how they said that the government of that day was allowing rising interest rates to make municipal financing more difficult. How they said: if we are given the reins of office we will call a federal-provincial conference. The Minister of Finance in January of last year said he would call a second federal-provincial conference to make certain that these problems would be solved.

The government appealed to our elderly citizens and said that if they were returned to power, not only would our elderly citizens have a higher pension but immediate steps would be taken to bring about an expanded social security program. They promised a cure for unemployment. The Prime Minister even promised a cure for every individual unemployed. He said no person in Canada would suffer because of unemployment if he were returned as prime minister of this country. The latest figures we have—and there will be new ones tomorrow—show that upwards of 400,000 Canadians are out of work.

Mr. Martin (Essex East): More than twice that.

Mr. Argue: The government came to power by saying they would solve the farm crisis; that they would meet the difficulties faced by the farmers by instituting parity prices and by deficiency payments, thereby removing the farmer from the effects of the price-cost squeeze.

Mr. Diefenbaker: On a question of privilege, any reference to a promise of deficiency payments is not based on fact.

Mr. Argue: I have the facts here and it will not be the first time I have placed those facts on the record.

Mr. Diefenbaker: They are not facts.

Mr. Argue: They have not been disputed and I will attribute them to the appropriate minister when I come to that part of my notes. The Prime Minister has said: no deficiency payments. We will let the people of western Canada judge on the basis of the record whether or not such a commitment was made and such a hope held out.

What has been done to deal with the problem of inflation which is a very important and serious one? Inflation does not strike the strong, particularly; it strikes the weak. Inflation eats away the value of the old age pension and of the family allowance; it eats away the value of pension plans to which people have contributed for a lifetime. I am not going to say it is the greatest economic problem facing the people of this country today, but certainly the problem which faces the greatest number is the problem of inflation and the way in which it is eroding the income, savings and credit of the people of this nation. I have here some tables which show the reduction in the purchasing power of the old age pension since 1949. A person who began to receive an old age pension in 1949 would, from that date to the end of 1958, have received a pension amounting to $4,914. But in terms of 1949 dollars a pension over that period

of time would amount to just $4,273, a loss of $640 in purchasing power. Inflation has reduced the value of family allowances with respect to the higher payment made of $8 to a present value of just $4.75 in terms of 1945 dollars. It has reduced the value of the $6 old age pension to just $3.56. These are some of the results of inflation.

The Prime Minister's general attitude toward all problems this evening appears to be, "well, we have problems but we have had them before. We have a deficit but we have had a deficit before." Surely the reason the Prime Minister sits tonight where he does sit is because he held out the hope that some of these problems would be solved. In the seventeen months the present Prime Minister has been in office the consumer price index has increased from 121.6 to 126.3, an increase of 4.7 points, and in the previous seventeen months the index went up 4.8 points. In other words, the increase in the consumer index in the seventeen month interval the present government has been in office has been almost the same as the increase that occurred in the consumer index under the previous administration.

Do we have inflation today? Yes, the same kind and almost the same degree of inflation as we had under the previous administration.

What about the tight money policy? We heard a lot about the iniquity of the tight money policy under the Liberal government and we expected that under this government it would have been abolished. Here is what the present Minister of Finance said on August 11, 1956 as reported at page 7462 of *Hansard* when referring to the increases in the central bank rediscount rates:

> The effect of these repeated increases in interest rates, five in a period of one year, has been a tremendous increase in the burdens cast upon provincial governments with respect to their borrowings and upon municipal governments with respect to their borrowings, and upon business, and punishing losses upon the holders of Canada's obligations. What the government should be directing its efforts toward in facing the threat of inflation is to seek an increase in productivity.

Those were words uttered on August 11, 1956. The Bank of Canada rediscount rate for August 10, 1956, the day prior to this statement being made, stood at 3¼ per cent and the bank rediscount rate on January 15, 1959, stood at 3.61 per cent. And so we see that the tight money policy, the high interest policy, of the Liberal government has become a tighter money policy and a higher interest policy on the part of the Conservative government.

Mr. Fleming (Eglinton): Rubbish.

Mr. Argue: The Prime Minister spoke about the efforts of his government to stop inflation and he referred to freight rate increases. I wish to give the Prime Minister full credit for having removed the 3.6 per cent increase in freight rates, the last one, after the election. They talked about it a good deal during the election and the Prime Minister held out the expectation that it would be done after the election. We were happy that the 3.6 per cent was removed. But when the government was faced with a grant of a 17 per cent increase did the government say, "No, we will not allow this to go into effect?" After all the government was very brave when it came to disallowing a 3.6 per cent increase. But no, although the 3.6 per cent increase was not allowed the 17 per cent increase has gone into effect.

The speech from the throne does not say the government intends to take steps to remove the burden of the 17 per cent freight rate increase from the Canadian people. It merely says that steps will be taken to alleviate the burden. Will the Prime Minister say that the steps the government is going to take will remove the discriminatory effect of the full 17 per cent increase?

Mr. Green: Mr. Speaker, may I ask the hon. member a question? Was he opposed to the wage increase?

Mr. Argue: Now we hear from the Minister of Public Works (Mr. Green). I may say to that hon. gentleman I was not opposed to the wage increase and I do not think anybody in this house was opposed to it because it was recommended by a majority report of the conciliation board, but each of the ten provinces asked the government to take steps to prevent the 17 per cent increase from coming into effect by providing a subsidy.

Mr. Green: Would the hon. member permit another question? Were any of the provinces opposed to the wage increase?

Mr. Argue: Not that I know of. But what is the record of this government in this regard? The 3.6 per cent increase was disallowed right after the election but shortly thereafter the 17 per cent increase was permitted to go into effect. Even if this were the end of the freight rate increases or the prospect of additional increases, that would be bad but apparently this is just another one along the line. There is an application before the board of transport commissioners at present for an unspecified increase in freight rates. Mr. Ian Sinclair says he expects it to be from 12 to 15 per cent. Does the Minister of Public Works suggest the government will take steps to remove the discriminatory effects of such an increase should any part of it be allowed or should

it be allowed in full? No. With respect to the 3.6 per cent increase the government was fearless but when it came to the 17 per cent increase it acted in a different way. With regard to the prospect of an additional 12 or 15 per cent increase we shall see what the government will do.

What was the government going to do for the old age pensioner? It appointed a royal commission. Dr. Robert Clark was the commissioner and he was to report within three or four months. Twelve months have now elapsed and we do not know when we are going to get the report. Before the election there was agitation in the ranks of the Conservatives for an old age security system like that obtaining in the United States. Time was of the essence and the report was to have been brought in within three or four months. Now there is no telling when the report will be published and the most disappointing fact is that the speech from the throne contains no reference to action to be taken with respect to providing an improved old age security system. The actions of the government indicate that it has one way of talking prior to the election and another way of talking after the election.

No one was to suffer because of unemployment. In November of 1958 there were 398,000 unplaced applicants seeking jobs and unable to find them, just a little more than when the Liberals were in office.

Mr. Martin (Essex East): Twice as many.

Mr. Argue: Someone said, "Twice as many". The previous administration was bad in this regard but the present administration is a little worse.

Some hon. Members: Twice as bad.

Mr. Argue: It is not just the unemployed people themselves that we have to consider because they have families and there is suffering among them.

This government was also going to help the farmer. Oh, yes, the Prime Minister said I was not being sufficiently careful in what I said, but let me remind hon. gentlemen of what the Prime Minister himself said in this house would be done for agriculture under a Conservative administration. On March 12, 1956, the Prime Minister had this to say, as reported at page 2021 of *Hansard*:

> The squeeze which the farmer suffers results from the disparity in the relationship between the prices of farm products and the prices the farmer has to pay. When they are in proper relationship parity is established, and it is parity that the farm organizations across this country are asking for today. Not charity but parity.

There is no parity. Last session there was a little charity, namely $1 an acre, but apparently this session there is to be neither parity nor charity. The Prime Minister said that no one has ever promised deficiency payments. I quoted an article from the *Leader-Post* in this house a number of times. I have quoted it before and I have never heard it challenged, and I have never heard it said by the man who made the statement that the quotation was inaccurate. I refer to the report of the Regina *Leader-Post* of March 21, 1958, in which the Minister of Northern Affairs and National Resources (Mr. Hamilton) is reported as follows:

> Future steps included a revolutionary farm credit program, crop insurance, tax reductions, deficiency payments on western grains and many other important reforms.
>
> "Let's get moving on the big things. Let western Canada give a western leader their support. John Diefenbaker is trusted by all people. He will not betray the trust."

The Minister of Northern Affairs and National Resources has said that the government will provide deficiency payments. This is what the statement says, but I have heard no indication from the government that deficiency payments are to be provided.

Mr. Hamilton (Qu'Appelle): Mr. Speaker, on a question of privilege, this is the same statement that the hon. member made last session. When I spoke on other occasions across Saskatchewan I made it very clear that I was not in favour of deficiency payments but that they would be given consideration. When the proper time comes in this debate I will give a full answer to the hon. member for Assiniboia (Mr. Argue).

Mr. Argue: Long after the quotation in the newspapers we get an apology from the minister that he has been misquoted. The Prime Minister said that he was going to give the question sympathetic consideration. These were the words used. Well, sympathetic consideration or otherwise, there is no action.

Mr. Diefenbaker: Mr. Speaker, that is just a statement by the hon. gentleman. I make the statement that at no time did I say that I would give the question sympathetic consideration. I made it very clear consideration would be given to this question. Make no mistake about that.

Mr. Argue: Mr. Speaker, I quoted it before. I do not have the clipping with me now but the report was made from a speech that the Prime Minister made in the city of Moose Jaw.

Mr. Speaker: I think the hon. member will have to accept the statement made by the Prime Minister in his place that he did not use the phrase.

Mr. Argue: I do accept it, Mr. Speaker, and I will at a future date quote from the article

that I referred to so that the Prime Minister will understand that I was not endeavouring to mislead the house. I take it that now he is correcting the newspaper account. Well, the Prime Minister used to say in this house, "Parity, not charity." But there is no parity. There is no parity price in the legislation of the Minister of Agriculture (Mr. Harkness). Why, he has been one of the greatest opponents of parity prices.

The Minister of Agriculture made a speech before the federal-provincial conference in Ottawa on November 12. I want to congratulate the minister on having presented to that conference a very forthright statement of his views. The minister did not mince words. Here are some of the references he made to agriculture. In the second paragraph he said this:

> The difficult position of agriculture in the national economy is a matter of grave concern not only in Canada but in practically every other country in the world.

A little further on he had this to say about cereals:

> Cereals are likely to present a particularly serious problem.

Then he went on to talk about no export outlets for surplus dairy products. A little later on he talks about a mounting surplus of butter.

Mr. Harkness: The hon. member just passed over the page which says our prices of most products are better than almost any other country's.

Mr. Argue: It is a strange result of those wonderful prices, is it not, that agriculture is in this very serious position. Then, the minister saw fit to deny his own figures, and he said this about the increase in broiler production:

> It is quite apparent that rates of increase such as this will create in the very near future an impossible marketing and price situation with consequent distress and bankruptcy for many producers.

It used to be parity; now it is distress and bankruptcy for many producers. Well, the Prime Minister has said that he never promised deficiency payments. Many people in western Canada think deficiency payments should be made. There are many people in western Canada who feel that in asking for deficiency payments they are asking for only a small part of what they would be entitled to if they were asking for parity and not charity, in the words of the Prime Minister. The Prime Minister quoted, hon. members will recall, increases in one statistic after another in the province of Saskatchewan to show that in his province and in my province everything is well, the province is booming, business is on the increase. But asking for deficiency payments, asking this government to do something about inflation which caused the farmer's cost of production to increase in this country while this government has been in office, resulted in a meeting of farmers and businessmen to the number of 600 people in the city of Prince Albert. They filled the Arcade hall to hear Mr. Wesson of the Saskatchewan wheat pool and vice-president R. R. Atkinson of the Saskatchewan farmers' union. This was on January 9. The people of Saskatchewan are aroused; they are aroused not because they are angry with this government, but—

Mr. Horner (Acadia): Because the Saskatchewan wheat pool is spending millions publicizing it.

Mr. Argue: That is not true; that is a very misleading and inaccurate statement.

Mr. Horner (Acadia): Read it.

Mr. Argue: And if my hon. friend wants to subscribe to this newspaper he can pay his subscription.

Mr. Horner (Acadia): I do not have to subscribe to it; they send me one.

Mr. Argue: I do not get mine gratis; I pay for it.

The Saskatchewan wheat pool held a meeting in the city of Saskatoon and there were 1,900 people at it. They overflowed the ballrooms in the Bessborough hotel. They were asking for deficiency payments.

I said the farmers were not angry with this government particularly. This is a problem that has not come about in recent months; this is a problem that has been growing for a number of years. They have expected action from the government, but we have no action. Last year, when the speech from the throne was presented some hope was held out that something more would be done. When the mover of the address in reply to the speech from the throne spoke about the question of deficiency payments and the action of the Saskatchewan wheat pool he had this to say as found on page 20 of *Hansard* for January 16:

> The contention on the part of the Saskatchewan pool is that farmers cannot wait for the results of a long-term policy. That statement has been made on numerous occasions in the past and perhaps explains why a national policy has never been implemented.

He blames the wheat pool for no national agricultural policy.

> The stated policies of this government are known and generally have the support of the farm organizations. They are intended to remove the root causes of instability in agriculture. True, some of these difficulties will yield only to long-term measures. But any effort to jeopardize or prolong

the early implementation of a truly national farm policy will be performing a disservice to the farmer.

I would suggest that the responsible wheat pool organizations and the farmers' union are not doing a disservice to agriculture but are doing a very great service by pointing out to the people of Canada and to members of parliament the very serious situation in which agriculture finds itself today.

We had expected that the government would do something to help small business. The Prime Minister is always being misquoted but, as found in the Charlottetown *Guardian* of February 28, 1958, the Prime Minister is reported as having made this statement:

He announced that if his government is re-elected it is their intention at the first session of parliament to give consideration to a system whereby small business may be able to expand on reasonable terms and have available to it a system of financing which is being considered to enable a small business to meet its responsibility in expanding and assuring extra jobs.

Small business was promised that a credit system would be provided for small businessmen so that they could expand their businesses. They were promised a new system of financing, but the speech from the throne is completely barren on this question. The government has turned its back on its election promises. Instead of a speech from the throne full of forecasts of new steps being taken to provide full employment, to arrest the present inflation, to provide an old age security system as had been promised, to provide credit for businessmen, to provide parity and not charity, we have a speech from the throne that is completely barren in relation to the many promises that have been made. We have an anaemic speech from the throne. We have a policy on the part of the government that is a repetition of the policy of the former administration which led this country into so many difficulties.

I have not the advantage or otherwise of having unlimited time, and in view of some very agreeable interjections and the clock moving on I only have time to make a few further points. I have talked about the government's promises and its failure to implement those promises. But I call on the government at this time in the session to take emergency steps to help those who are unemployed. The government should bring forward immediately legislation to deal with this very serious problem.

The Prime Minister is a capable debater. He is usually able to handle any argument put forward by anyone in the house, but I was most disturbed when he said of the Leader of the Opposition, and I took down his words, "I must point out that the speech he delivered today is not in keeping with his responsibilities as Leader of the Opposition at a time when world conditions are difficult and trying, when the communist world attacks the free world economically as never before, and at a time when one hears remarks such as those made by Mr. Mikoyan last evening when answering questions on a press conference."

I heard nothing said by the Leader of the Opposition to warrant a statement like that by the Prime Minister. This is a free parliament in a free nation and there should be no suggestion that statements made in this house on inflation, unemployment and all these great difficulties are statements that should not be made because they may provide some aid or comfort to communists.

Mr. Martin (Essex East): Or embarrass the government.

Mr. Argue: Of course, it is an inconceivable thing that we should embarrass the government.

Mr. Martin (Essex East): The government must not be embarrassed.

Mr. Argue: I should like to refer at this time to a report in the Montreal *Gazette* of last Saturday dealing with the question of unemployment which had this to say:

Cardinal Leger today called for the creation of mixed commissions of management and labour leaders to cope with the "terrible affliction" of unemployment.

That is what he thinks of the situation, a terrible affliction.

In a pastoral letter, which will be read in all parishes of the diocese tomorrow, the Roman Catholic archbishop of Montreal says the situation requires the intervention of government to "take new and audacious steps." . . .

A "just and lasting" solution to unemployment, the Cardinal goes on, involves respect for man's natural right to work, encouragement of a high and stable level of employment, and "a more salutary direction" for the economy.

Here are the words of a very highly placed person in our Canadian life in referring to the great, growing and terrible problem of unemployment. Surely no one can say that any Canadian is not discharging his duty when he puts forward in very strong language his opinion on these very grave issues facing the Canadian public today.

We in this group believe that an economic policy, economic planning and government expenditures in the development of natural resources are necessary if we are to cope with unemployment. Before I sit down I should like to move, seconded by the hon.

member for Kootenay West (Mr. Herridge), the following amendment to the amendment:

That the amendment be amended by inserting after the word "policies" the following words:

"caused by the absence of social and economic planning",

and by inserting after the word "unemployment" the following words:

"and their failure to provide agriculture with a fair share of the national income, and their further failure to take effective steps to combat inflation".

The amendment of the Leader of the Opposition referred to one very important problem facing the Canadian nation, namely unemployment. By the amendment to the amendment we have added two further problems that we consider of great importance, the necessity of providing agriculture with a fair share of the national income and the necessity to take effective steps to combat inflation. During this session the C.C.F. party will keep prodding, pushing and pressing the government for action on these three problems.

On motion of Mr. McGee the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Chevrier: I take it tomorrow we will go on with the speech from the throne?

Mr. Green: Yes, Mr. Speaker.

Mr. Chevrier: May I ask the leader if it is the intention to go on with the throne speech until it is completed?

Mr. Green: Yes, it is, Mr. Speaker.

At 10 o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, January 20, 1959

The house met at 11 a.m.

PRIVILEGE

MR. ROBICHAUD—REFERENCE TO ANSWER BY MINISTER ON JANUARY 16

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I rise on a question of privilege. On Friday last I asked the Minister of Mines and Technical Surveys the following question, as reported on page 11 of *Hansard* of January 16:

Mr. Speaker, I should like to address a question to the Minister of Mines and Technical Surveys. My question is based on a news dispatch in today's Montreal *Gazette* announcing the intended closing on February 1 of five collieries affecting 4,000 men in the Glace Bay and Waterford areas of Nova Scotia. What steps does the minister propose to take to avert this mass unemployment in a region that is at the present moment experiencing grave and serious unemployment?

I received the following reply:

I did not receive any notice from the Dosco company with regard to a cut down in production or a staff reduction. I saw this article in a paper—the *Gazette*—this morning, and this was the first news I had of it, through the press. However, we shall look into the matter and as soon as I have been officially informed by the company that there has been a reduction of staff and production, or of its plans in the matter, I shall notify my colleagues and we shall take a decision about it.

On the very same day, Mr. Speaker, as recorded in the Halifax *Chronicle-Herald* of January 17—

Mr. Speaker: Order. I wish the hon. member would state his question of privilege so we could follow the relevance of what he is saying.

Mr. Robichaud: I am just coming to the question of privilege, Mr. Speaker. My question of privilege is that the minister's action in this regard was a shock to parliament and to the rights of parliament, because on that very day, January 17, the minister informed the press, as reported in the Halifax *Chronicle-Herald,* as follows:

A memorandum outlining marketing problems facing the Nova Scotia coal industry and containing recommendations relative to subvention payments on movement of coal is under study by the federal cabinet.

Mines minister Paul Comtois told the Halifax *Chronicle-Herald* Friday the memo was drafted following a series of dominion coal board meetings which heard several delegations from Nova Scotia and the coal operators; and after a conference he held with Premier Stanfield of Nova Scotia and officials of Dominion Steel and Coal Corporation.

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Mr. Speaker, we do not assert that we should be told of cabinet's deliberations before a decision is reached—

Some hon. Members: Order.

Mr. Speaker: Will the hon. member state the privilege of the house which he contends has been offended?

Mr. Robichaud: On this occasion the house was misled and misinformed.

Some hon. Members: No, no.

Mr. Robichaud: On this occasion information which was refused to the house was given to the press. It is a shock to the rights of parliament.

(Translation):

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, I think the hon. member for Gloucester is rather easily put out and is giving a quite personal interpretation of the answer I gave last Friday. As a matter of fact, I replied that the officials of the company had represented to us that the government might perhaps consider the advisability of increasing grants and assisting coal production. I also said that we had not been officially advised that there would be staff reductions.

That is the answer I made in the house and I do not think there is any disagreement between my statement and the press reports.

(Text):

ROYAL VISIT

TABLING OF ITINERARY OF TOUR OF HER MAJESTY AND PRINCE PHILIP

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the other day when I reported on the prospective visit of Her Majesty the Queen I stated that as soon as the itinerary had been approved by Her Majesty, that itinerary having been submitted to her by General Graham and a committee, it would be tabled. I would also point out that within the next few hours copies will be available in the post office boxes of the members.

FINANCE

WATERPROOF FOOTWEAR—FLUORSPAR—TABLING OF TARIFF BOARD REPORTS

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I should like to table copies in English and in French of two tariff

board reports. One, reference No. 121, relates to waterproof footwear and rubber-soled canvas footwear. The other, reference No. 126, relates to fluorspar. These reports were received from the tariff board last December and I authorized their release for public distribution at that time. They are now being tabled, together with transcripts of the evidence taken at the board's public hearings, pursuant to section 6 of the Tariff Board Act.

The contents of these reports are no doubt already familiar to those members who, for one reason or another, are directly interested in them. There may, however, be some members who have not yet had an opportunity to examine the reports. Accordingly I should like to say a word about each of them.

Reference No. 121 on waterproof footwear and rubber-soled canvas footwear was initiated by my predecessor and a first report thereon was received by him shortly before the 1957 election. In tabling that report in October, 1957, I pointed out that the board had not been asked for recommendations. For that reason I referred the matter back to the board with the request that in due course it make any recommendations that it might deem warranted regarding the retention or modification of the present duties.

Pursuant to this request the tariff board considered representations submitted by the Canadian rubber footwear industry relating to both the British preferential and the most favoured nation rates of duty on rubber boots and shoes and rubber-soled canvas footwear. With respect to rubber boots and shoes the industry requested that a new duty of 15 per cent ad valorem be imposed on imports from the United Kingdom and other British preferential sources, and that the present ad valorem duties under the most favoured nation and general tariffs be accompanied by specific minimum duties ranging from 30 cents to 95 cents per pair. With regard to canvas shoes with rubber soles the revised tariff treatment sought by the industry envisaged the introduction of specific minimum duties ranging from 55 cents to $1.25 per pair under the British preferential tariff and from 60 cents to $1.35 per pair under the most favoured nation and general tariffs.

In the report which I have just tabled the tariff board states that it was not persuaded on the basis of the evidence submitted that it would be warranted in recommending the adoption of the duties requested by the industry. It did not recommend any changes in either the wording or rates of duty in respect of the tariff items covering waterproof footwear and rubber-soled canvas footwear.

The report on fluorspar results from a reference which I sent to the board on September 24, 1957. Fluorspar is a product which has not attracted wide attention but which is of very direct concern in two Canadian localities. It is used extensively in the aluminum industry and in the iron and steel industry as a flux. Smaller amounts are used by Canadian producers of glassware, enamels and certain chemicals.

Canada's principal fluorspar mines are located at St. Lawrence, Newfoundland. The larger of these, Newfoundland Fluorspar Limited, supplies acid grade fluorspar to its parent company, the Aluminum Company of Canada Limited. The other, St. Lawrence Corporation of Newfoundland Limited, formerly shipped its entire production as concentrate to an affiliated company in the United States. Following the termination in 1957 of its affiliate's contract for United States stockpiling purposes, the St. Lawrence Corporation's mine has been closed.

Apart from Newfoundland Fluorspar Limited and the St. Lawrence Corporation of Newfoundland, Limited, the only other operating producer of fluorspar in Canada is, according to the report, Huntington Fluorspar Mines Limited, Madoc, Ontario. This firm mines, crushes and hand picks metallurgical grade fluorspar on a small scale.

In its report the tariff board says that at the hearings the St. Lawrence Corporation of Newfoundland and Huntington Fluorspar Mines proposed that the existing duty free entry of fluorspar be replaced by a duty of $10 per ton on all grades from all sources. This proposal was opposed by The Aluminum Company of Canada, which owns Newfoundland Fluorspar Limited, and by Canadian producers of glass, steel and chemicals.

The tariff board came to the conclusion that the closing of the St. Lawrence Corporation's mine was not primarily due to developments in the Canadian market, but rather to the fact that it could no longer sell in the United States market on which it has been entirely dependent.

With regard to the applicants' request for the imposition of a duty of $10 per ton, the board's majority opinion is to be found on page 36 of the report which I have just tabled. The relevant extract is as follows:

> On the basis of the current fair market value, f.o.b. mine or mill in Mexico (the major source of supplies to Canada), a duty of $10 per ton—estimated by the president of St. Lawrence Corporation of Newfoundland as necessary to permit operations yielding a profit of about $5 per ton—would have an ad valorem incidence of something between 60 and 100 per cent. While a duty of $10 per ton would be in the nature of a bonanza to the relatively small operation at Madoc, it would very likely prove—in the opinion of the board—insufficient to

permit St. Lawrence Corporation of Newfoundland to compete with the Mexican product. On the other hand, it would be a burden upon the domestic users of fluorspar, especially to those industries competing in export markets.

The board accordingly has not made any recommendation for any change in the provisions of the tariff on fluorspar.

"CANADIAN ECONOMIC OUTLOOK FOR 1958"—REQUEST FOR ADDITIONAL COPIES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Trade and Commerce whether he proposes to make available to members of the house and the press gallery copies of the "Canadian Economic Outlook for 1958"?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the number of copies of the Economic Outlook that were printed or at least mimeographed, last year was very limited and it is just impossible to accede to the hon. member's request. I had available only about five of those copies. I tabled two and one was made available to the press gallery, but there certainly are not enough to circulate to all hon. members. No such request was made for the "Economic Outlook for 1957" and I did not anticipate that such request would be forthcoming now.

Mr. Pearson: Mr. Speaker, I should like formally to make that request because this is a document that should be in the possession of hon. members and of the Canadian people. As to the difficulty of reproducing copies of it, that is really not a serious matter. I should think that at least all hon. members should have copies, and I should think the press gallery are entitled to some copies of a document to which so much importance has been attached.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to raise a question of privilege on this point. I had a motion on the order paper covering this matter. It is true that the motion has not passed, but in my experience it has always been customary for a government producing a document, even if the motion relating to the document had not yet been passed—I suppose as a courtesy—to send a copy to the person in whose name the motion stands. Very late yesterday morning I was finally able to get the copy of the document which was tabled, but this copy is the property of the house. I have yet to receive a courtesy copy. Last year, when the circumstances were different, there was no difficulty encountered by the government in producing hundreds of copies.

Inquiries of the Ministry

Hon. E. D. Fulton (Minister of Justice): Since this question of privilege has been raised, I think someone should set the record straight. I recall many occasions when copies of documents were tabled by the former government in response to motions when no extra copies were made available.

EXTERNAL AFFAIRS

CANADA-U.S.—STATEMENT ON MEETING OF MINISTERS

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, on Friday last the hon. member for Niagara Falls (Mr. Houck) asked me if I would be making any report to the house on the meetings at the beginning of last week of the joint United States-Canada committee on trade and economic affairs. I intimated at that time that if it were the wish of the house I would make a short report and table the communiqué which the committee authorized to be issued at the conclusion of its meetings.

May I, therefore, now table copies of that communiqué and say briefly that the meetings of the committee proceeded in Ottawa on January 5 and 6. On the part of the United States it was attended by Hon. Robert B. Anderson, secretary of the treasury; Hon. Fred A. Seaton, secretary of the department of the interior; Hon. Lewis L. Strauss, secretary of the department of commerce; Hon. C. Douglas Dillon, under secretary of state for economic affairs; Hon. Marvin L. McLain, assistant secretary, department of agriculture, as well as by a number of high officials from the departments concerned in the administration of the United States.

Canada was represented by my colleagues the Minister of Trade and Commerce (Mr. Churchill), the Minister of Agriculture (Mr. Harkness), and the Secretary of State for External Affairs (Mr. Smith) and myself as well as our officials.

It had been expected that Mr. Dulles, the secretary of state of the United States and Mr. Benson, the secretary for agriculture, would be attending, but within a few hours of the meeting both of them were incapacitated, the one by illness and the other as a result of an accident.

The meeting was carried on in the most friendly and informal atmosphere. A very wide range of subjects came before us for discussion. These subjects included, of course, trade problems; even with the happy relations that exist between Canada and the United States there are still formidable trade problems.

On the part of the Canadian representatives the Canadian point of view with respect to the limitations imposed by the United States on imports of Canadian oil, lead and zinc, as well as certain aspects of United States agricultural surplus disposal policies, were plainly stated and vigorously pressed as was also the firm insistence of the Canadian government upon the fullest respect being extended to Canadian sovereignty in all its aspects.

A question was raised after the meeting concerning the range of subjects that came before the meeting, as to whether matters pertaining to defence purchasing came within the scope of the discussions. They did not, Mr. Speaker. There is another joint cabinet committee, the committee on defence, which embraces within its scope matters pertaining to defence purchasing.

I stress the very happy and extremely friendly and informal spirit which prevailed on the part of representatives of both countries. The meetings were useful. They provided an opportunity for a timely exchange of views, and it is the view of the Canadian government that the meetings served a very useful purpose.

Mr. Martin (Essex East): What did they accomplish?

Mr. Fleming (Eglinton): I am asking leave, Mr. Speaker, to table copies of the communique which the committee authorized to be issued at the conclusion of its meetings.

WATER RESOURCES

FRASER RIVER BOARD—TABLING OF PRELIMINARY REPORT

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I should like to table the preliminary report of the Fraser river board submitted to the governments of Canada and of British Columbia as of October 31, 1958.

As a result of its three years' study and based on data accumulated for several years by its predecessor, the Fraser river board has made a number of recommendations which deserve careful study by the responsible authorities. These range from expanding the program of collecting basic data regarding the Fraser river basin to multi-purpose development proposals for the basin.

One project, predicated on a partial development of the river and on dyking, offers hope of controlling the disastrous floods which the lower mainland of British Columbia has known. This project, which requires further examination, might achieve flood control on practically a self-supporting basis and with no harm to the salmon industry. If the British Columbia government is disposed to have this matter further examined, the dominion government will consider such a suggestion.

NATIONAL MUSEUM

STATEMENT RESPECTING ESTABLISHMENT AND SET-UP

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, with the permission of the house I should like to make a brief statement regarding the situation in the human history branch of the national museum of Canada.

In June, 1956, a civil service competition was advertised to fill the position of director of the national museum which was to become vacant with the retirement in November of that year of Dr. Alcock, who was formerly its head. After the competition was launched but before the selection of a new director was made, the then government decided, in October 1956, to create two museums, a museum of natural history and a museum of human history. As a result of the civil service competition Dr. Loris S. Russell was appointed director of the natural history branch and Dr. Jacques Rousseau was appointed director of the human history branch.

There has not been and there is not now any difficulty whatever in the natural history branch. So far as the human history branch is concerned, it appeared in June 1958 that there was serious unrest among the senior scientific personnel. An inquiry was immediately undertaken at the direction of the deputy minister. In the course of the inquiry, it developed that the director of the human history branch was in immediate need of two months' leave of absence for medical reasons. This, along with absences of the scientific staff in the field during the summer and fall, as well as absences by the deputy minister and myself on departmental business, delayed completion of the inquiry.

The inquiry has involved the interviewing of a great many people, the checking of many statements, and the examination of a great deal of material that has been submitted. Before it was completed the matter became the subject of reports in the press. The fullest inquiry has now been completed, and a report was submitted to me by my deputy minister on January 15.

May I say at this point, Mr. Speaker, that the report is confidential and it deals, on the basis of confidence between an official and his minister, with many complaints about and

reflections on the personalities and character of many people. As such it is a privileged document and it will not now nor, so far as I am concerned, at any time in the future be made public. A copy has, however, been sent to the chairman of the civil service commission for his information and retention.

From the most thorough inquiries it is clear that there are no policy questions of any kind at issue. It is purely and simply a case of violent clashes of personalities. There had, it is apparent, been certain strains among some of the scientists in the branch in the past, but these had never led to difficulties nor assumed serious proportions until now.

The inquiry has revealed that several scientists in the museum have been at fault in the matter in varying degrees. At my direction the deputy minister is interviewing these persons to make clear the deficiencies of conduct that have contributed to the most regrettable flare-up. It will be made abundantly clear to all of these that they will be expected henceforth so to conduct themselves in their relations with one another as to restore to the branch and to maintain in the future the atmosphere that is essential if the scientific work of the museum is to be carried on.

The director of the branch, Dr. Rousseau, is an ethno-botanist of wide reputation. I want it to be perfectly clear that nothing in the matter or in the inquiry or report has at any time or in any way reflected on his reputation or standing as a scientist. The direction of a branch of the museum is not, however, primarily a scientific task. It is primarily administrative. The inquiry has made it clear that Dr. Rousseau's talents are scientific rather than administrative. He is therefore being offered a purely scientific post in the public service which I hope he will see fit to accept. A period of time has been given Dr. Rousseau to consider the matter, and I would not wish to go further at this point.

The civil service commission has been consulted and kept fully informed before decisions were taken. They fully concur in the conclusions that have been reached.

I should like to add, Mr. Speaker, that as no question of policy is involved and as this is purely a matter of personal and internal frictions within the human history branch, I think it would be in the interest of the museum, of the public service, and of the scientists concerned if the healing processes of time could go forward as quietly and with as little further publicity as it is possible for them to do.

Inquiries of the Ministry

LABOUR CONDITIONS

UNEMPLOYMENT—INQUIRY AS TO ACTION BY GOVERNMENT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Labour arising out of the unemployment figures made public today, and showing the highest unemployment for this time of year in Canada since the end of the war. Can the minister say whether emergency action is being contemplated, and whether there is to be a reduction in the qualifying period for seasonal benefits in order to alleviate suffering amongst many Canadians at this time?

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker, no consideration is being given to a reduction in the number of weeks necessary to qualify for unemployment insurance. Since the hon. member has mentioned that this release shows the highest number of unemployed since the war, may I say that the action taken by the government has resulted in improvement to the extent that there were 22,000 more people employed in December of this year as compared with December, 1957.

Mr. Argue: How does this help the people who are unemployed?

Mr. Starr: In answer to that question may I say that the municipal incentive program which will take effect toward the end of this month will have the result of improving those figures.

Hon. L. B. Pearson (Leader of the Opposition): May I ask a supplementary question. Will the minister give us the figures covering the increase in the labour force in 1958?

Mr. Starr: I have not those figures available, sir. All I have is the dominion bureau of statistics release which shows that there were 22,000 more working in December of this year as compared with last year.

Hon. Paul Martin (Essex East): May I ask the minister a supplementary question, the answer to which will assist us in interpreting the very important employment report given to the country today. Can the minister say whether or not there is any category of workers formerly included in these reports that is not now included in the reports presented to parliament and the country today?

Mr. Starr: The same categories are included now as were included in the past.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask a supplementary question. Is it not true that fishermen are not included

this year, and is the minister's answer that no consideration is being given to a reduction in the number of stamps required also applicable to fishermen; because the minister will recall that he told me the opposite quite recently.

Mr. Starr: In the first part of his question the hon. member for Bonavista-Twillingate is again confused, because he is referring to the national registration figures in which fishermen are not included. Everyone seeking work is included in these dominion bureau of statistics figures, and the qualification period for unemployment insurance also applies to fishermen.

Mr. Pickersgill: In other words the government has ceased—

Mr. Speaker: I hope the hon. member for Bonavista-Twillingate is not going to enter into a debate on this matter.

Mr. Pickersgill: No, I simply want to clarify the minister's answer. The question I was going to ask the minister—

Some hon. Members: Sit down.

Mr. Speaker: Has the hon. member a supplementary question?

Mr. Pickersgill: I have a supplementary question, and it is this. Did I understand the minister to say consideration is no longer being given to a reduction in the number of stamps required by fishermen for unemployment insurance?

Mr. Starr: I said, sir, no consideration is being given to reducing the 15 stamps that are required for seasonal benefits at the moment, and that includes everyone.

ST. LAWRENCE SEAWAY

INQUIRY AS TO READINESS FOR 1959 NAVIGATION SEASON

On the orders of the day:

Mr. B. G. Allmark (Kingston): I should like to direct a question to the Minister of Transport. Will the minister advise the house concerning the readiness of the St. Lawrence seaway system to handle traffic at the commencement of the 1959 navigation season?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. I wish to thank the hon. member for his courtesy in advising me of his intention to ask this question. I shall make the following answer in view of the great interest shown in this matter by the hon. members for Vaudreuil-Soulanges, Glengarry-Prescott and Grenville-Dundas.

At the end of 1958, just four and a half years after the St. Lawrence seaway authority was established, construction of works under its jurisdiction has progressed to a stage which assures that all channels, locks and ancillary structures will be available to shipping at the opening of navigation next spring, although subject in part to a restricted depth of 24½ feet until June 1, when the specified minimum depth of 27 feet will be available throughout.

An over-all insufficiency of equipment suitable for dredging of the various classes and conditions of materials encountered, aggravated by the early advent of winter which so seriously interfered with the clearing of ocean vessels from the Lachine canal and Montreal harbour, has retarded the completion of production and clean-up dredging and the proving of all navigation channels to the specified 27 feet depth and, in a few places, to full width.

All five lock structures undertaken by the seaway authority have been completed and all lock equipment and machinery has been installed and tested. All the work undertaken by the St. Lawrence seaway authority with respect to Jacques Cartier bridge, Victoria bridge, Honore Mercier bridge, Caughnawaga C.P.R. bridge and the Cornwall island high level bridge has been virtually completed. The St. Louis span for the Canadian National and the Valleyfield span for the New York Central over the Beauharnois canal are scheduled for completion by March 15, 1959. The Cornwall north channel bridge is scheduled for completion late in 1960, with tenders for the substructure to be advertised by the end of February, 1959. The seaway authority is issuing a more detailed statement as to completion of various phases of the work.

Before vessels may safely transit the new seaway facilities aids to navigation have to be placed, and this is a responsibility of the Department of Transport. Every effort will be made to have this work completed as closely as possible to the time when navigation normally would commence. This is dependent of course on weather, ice conditions, and a number of related factors. The present objective for the completion of this work is about April 20. However, in accordance with established canal operation practice a more precise statement as to the opening date can be expected toward the end of March.

Hon. Lionel Chevrier (Laurier): May I ask a further question. It is not really a supplementary question, but it deals with the seaway. Before I do, perhaps I might be allowed to tell the minister that I am very happy to have him make this statement. It is quite clear that the minister is ably following the steps established by the former administration.

The question I wish to direct to the minister, which I feel he may not be able to answer today and if not he may take it as notice, is this. The President of the United States announced yesterday, I think, that for the year beginning July 1 the seaway is expected to collect $12,600,000 in tolls, of which $4,200,000 will go to the United States. He went on to make a general statement about the operation of the United States part of the St. Lawrence seaway, and I wondered if the statement made by the President was correct and whether the minister would not consider making a similar statement to the house in connection with the operation—tolls particularly—of the St. Lawrence seaway as the President made to congress?

Mr. Hees: I expect to be making a statement regarding tolls at a time when the final toll structure has been agreed upon by both the United States and Canadian governments. I shall make it just as soon as possible.

Mr. D. M. Fisher (Port Arthur): I have a supplementary question with respect to the information the minister gave us. Is he in a position to project the same kind of information or analysis for the upper lakes at this time and give us some indication as to the time schedule so far as deepening is concerned, and whether the ships which are going to be able to come in and take advantage of the deeper drafts of the St. Lawrence seaway will be able to go on further into the upper lakes?

Mr. Hees: The deepening of the Welland canal locks will be finished for the opening of navigation.

Mr. Fisher: The Welland canal is hardly in the upper lakes.

Mr. Hees: Perhaps if the hon. member could get together with me afterwards he could tell me what he has in mind and what difficulties he envisages.

Mr. R. M. T. McDonald (Hamilton South): I have a supplementary question with regard to the bridge going across the entrance to Hamilton harbour, something which the Liberals forgot to do. Can the minister give us the date when this bridge will be completed?

Mr. Hees: No, but I will check into the matter and let the hon. member know.

SUGGESTED OFFICIAL OPENING AT BOTH MONTREAL AND CORNWALL

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Prime Minister. The other day I asked him if he could tell the house where the official opening of the St. Lawrence seaway would take place, and his reply was that when he tabled the itinerary of the royal visit I would be able to find out. I have looked at the itinerary, and there is nothing to indicate where the official opening will take place save and except an insertion which says that when the details have been completed another statement will be made at a subsequent time.

I should now like to direct this question to the Prime Minister. In view of the fact that a great deal of preparation is necessary in both the areas where the opening is likely to take place, will the Prime Minister not tell the house now that the official opening will take place at both the city of Montreal and the city of Cornwall inasmuch, as it has been stated in the press on more than one occasion that such probably would be the case?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I can understand the interest of the hon. gentleman in Montreal but his vicarious interest in Cornwall does not have the same appeal to me. Representations have been made by the hon. member for Stormont and by many other members with respect to matters such as this. As I stated the other day, I thought the hon. member's question would receive an answer when the committee reported this week and the itinerary was brought before the house. The committee has given the fullest information it has at the moment, and when General Graham is in a position to determine, with the assistance of the committee, the answer to the question asked it will be transmitted immediately to the house. I felt the other day that the information the hon. member asked for would be available at the same time the simultaneous release of the itinerary was made in the United Kingdom and Canada. It is not available as yet.

Mr. Chevrier: I wonder if the Prime Minister would allow me to bring this matter to his attention; it will probably reply to his query as to my anxiety for Cornwall. There was a precedent established in connection with the ground-breaking ceremonies of the St. Lawrence seaway, at which time it was decided there would be two official ceremonies, one in the state of New York and one in the province of Ontario.

The question is this. In view of the fact that the situation is the same, would it not be advisable that two official openings should take place, one in the province of Quebec, in the city of Montreal, and the other in the international section? Would the Prime Minister not give consideration to the suggestion,

either himself or by means of the committee? There is a precedent for this, as I have stated.

Mr. Diefenbaker: This is a matter for determination not only by the committee but also after consultation with Her Majesty. Certainly the views of the hon. gentleman will receive consideration by the committee, to whom I will direct them.

TRADE

RECEIPT OF NOTES RESPECTING CHANGES IN CUSTOMS ACT

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask the Secretary of State for External Affairs a question in view of the astonishing admission made by the Minister of National Revenue (Mr. Nowlan) that he did not have at any time before or while the anti-dumping legislation was being discussed in this house last session, the two notes addressed by the government of the United States to Canada dated June 26 and September 3. Can the Secretary of State for External Affairs say whether or not he was in possession of these notes at the time, and can he offer an explanation as to why his colleague the Minister of National Revenue was not so informed?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, I cannot recall now the exact dates but I made a public statement with respect to this matter, and I would draw that fact to the attention of the hon. member. My recollection is that this note dated in early September was left in the Department of External Affairs by a junior official of the United States embassy, and it was left by that official with a junior member of the staff of the Department of External Affairs. It was never left with me. Indeed it was never left with the undersecretary of state for external affairs. It was never left with any of the assistant under secretaries. It did not come to my attention until the debate was over with respect to this anti-dumping legislation. I must take responsibility for this matter as the political head for the department, but I can state that as a fact. I saw the United States ambassador on three occasions. One was a social occasion and it is not quite fair to mention that one, but I saw him for discussion on two other matters. No reference was made in any way to the fact that this note had been delivered at a junior level in the department.

Mr. Martin (Essex East): May I ask a supplementary question of the Secretary of State for External Affairs. He was talking of the note of September 3. May I ask him what the situation is with respect to the note of June 26? Had that note been brought to the attention of the Secretary of State for External Affairs, and was that note circulated to the Minister of National Revenue and perhaps to the Prime Minister and the Minister of Finance, or were all kept uninformed?

Mr. Smith (Hastings-Frontenac): I was aware of the earlier note and, having regard to the normal practice, I would have expected the officials would have distributed copies of it.

Hon. L. B. Pearson (Leader of the Opposition): I have a supplementary question. Will the minister find out whether in fact this June note was circulated, and will he also find out whether the September 3 note was circulated to the ministers concerned and on what date?

Mr. Smith (Hastings-Frontenac): With respect to the observation made by the Leader of the Opposition may I say this. I gave an explanation with respect to the September note, and I can assure the house that if I did not know about the existence of that note, my colleagues did not know about it either.

COMBINES INVESTIGATION ACT

ZINC—ANNOUNCEMENT OF NAME OF COUNSEL APPOINTED

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Yesterday the hon. member for Skeena (Mr. Howard) asked me whether I could supply the house with the name of the counsel appointed to represent the government in the zinc oxide case. The name of the counsel is Mr. Pierre Badeaux, Q.C., former batonnier of the Montreal bar.

INCOME TAX

INQUIRY AS TO NEW EDITION OF BOOK ON PENSION PLANS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, without undue delay I wish to ask the Minister of National Revenue what has become an annual question. In view of the continued interest of thousands of industrial workers in the publication of the revised blue book on pension plans, and in view of the minister's assurance on July 8 last that the blue book would be produced in due course and without undue delay, would the minister inform the house when the administrative tortoise, mentioned in his reply to my questions of June 2 and July 8 last, will reach the finish line and the long expected blue book on pension plans be published?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I can tell my hon. friend that the tortoise is very near

the finish line and will cross it in good condition, but due to the probing of my hon. friend it will be a little weary and will have to have a little time to catch its breath before it subjects itself to the critical eye of my hon. friend.

(Translation):

CANADIAN BROADCASTING CORPORATION

MONTREAL—REASON FOR REFUSAL TO RECOGNIZE PRODUCERS ASSOCIATION

Mr. Azellus Denis (St. Denis): Mr. Speaker, I should like to address a question to the Minister of National Revenue. Is it a fact that the C.B.C. refuses to recognize the Montreal Television Producers' Association only because that association is affiliated to the Canadian and Catholic Labour Union?

(Text):

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I am sorry that I did not catch the full and correct wording of the question. Since it is a very technical subject, I think perhaps if my hon. friend will permit me to do so I would prefer to take it as notice and answer him tomorrow. As I said the other day, when these matters are concluded I will be prepared to make a full statement, but I will deal specifically with this question tomorrow.

(Translation):

MONTREAL—TORONTO—REPORTED DIFFERENCES IN SALARIES

Mr. Adrien Meunier (Papineau): Mr. Speaker, I should like to ask another question of the Minister of National Revenue. Is it true that C.B.C. producers in Montreal are getting less pay than C.B.C. producers in Toronto? If so, could the minister supply figures in this regard?

(Text):

Mr. Speaker: The hon. member has asked for statistical information. He might put the question on the order paper.

Mr. Chevrier: Mr. Speaker, may I bring to your attention the fact that the first part of the hon. member's question is perfectly within the rules of the house. Perhaps the second part is not within the rules, but the first part certainly is.

Hon. George C. Nowlan (Minister of National Revenue): The salaries of the C.B.C. are solely in the control of the corporation. I have no idea what the salaries are and I do not intend to find out unless we have an order from the house to that effect because I think that is a matter of internal administration of the corporation. I am quite certain those salaries would be on a comparable level across Canada.

BROADCASTING

TRANSFER OF RADIO REGULATIONS OFFICE, WINDSOR TO LONDON

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Transport this question. In view of the representations made to him last fall by myself and, I presume, by my two colleagues from Essex county as to the decision of the Department of Transport to transfer the Windsor radio regulations office to London, and in view of the announcement that this transfer is to take place on February 1, does the minister not consider that it would be a great mistake to transfer this office from Windsor to London? Windsor is a larger community. I would ask the minister to state to the house now whether he cannot—

Mr. Speaker: Order. It seems to me that the hon. member may be presenting a good case, but this is not the time to do it. The sequel to this argument is to ask the minister for an opinion, something which is also against the rules of the house at this stage.

Mr. Martin (Essex East): With great respect, Mr. Speaker, may I say that this is a matter that is to take place on February 1. I am asking the minister whether he cannot reconsider his decision and recognize the priority of Windsor as one of the important cities of Canada.

Hon. George H. Hees (Minister of Transport): No one appreciates more than I do the importance of Windsor as one of Canada's great cities. The hon. member for Essex West got in touch with me, as he has said, and put the proposition before me. We examined it very carefully and I have written to him, as he knows, in some considerable detail explaining—well, I wrote.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): You wrote to the hon. member for Essex West.

Mr. Pickersgill: You said "the hon. member for Essex West".

Mr. Hees: Well, I will check; I think I was in touch with the member for Essex East as well. However, as I explained at that time the department considered the matter with great care, and the reason was that additional areas could be better serviced if the operation were centred in London

than if it were centred in Windsor. It was solely for that technical reason that the change was made.

Mr. Martin (Essex East): Real discrimination.

Mr. Hees: Mr. Speaker, I think you might be interested to know that this whole matter centres around the transfer of only two technical personnel from Windsor to London.

Mr. Martin (Essex East): I am sure the minister would not want to give the country and parliament a wrong impression. It is not the number of employees but the importance of the bureau that is involved, and the minister has not given the house any satisfactory explanation so far.

Mr. Fleming (Eglinton): The importance of Paul is at stake.

Mr. Hees: If the hon. member will come and see me afterwards I will give him more information which I feel sure will satisfy him.

BRIDGES

MONTREAL—REQUESTED DELAY OF DIVERSION WORK ON VICTORIA BRIDGE

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for Laurier inquired if I would ask Canadian National Railways to delay the diversion work on the Victoria bridge until the construction of the champagne—

Some hon. Members: Oh, oh.

Mr. Hees: —the Champlain bridge had been completed. We are all in a rather heady mood today, Mr. Speaker. I am advised by the management that there is the utmost urgency for the diversionary bridge to be completed so as to avoid interruption of navigation after the opening date of the seaway. The management is preparing a statement of the reasons for this condition, and I shall be glad to provide my hon. friend with the information as soon as I have it.

(Translation):

SHIPPING

MONTREAL—STATEMENT ON WINTER NAVIGATION

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I would like to answer a question asked yesterday by the hon. member for Levis, and say that there is no attempt to maintain winter navigation between Montreal and Quebec.

[Mr. Hees.]

Usual ice-breaking operations are taking place to prevent flooding and to help ferry services.

Mr. Maurice Bourget (Levis): Mr. Speaker, I want to thank the minister for his answer, but frankly I do not think it is very clear.

(Text):

The question I asked the minister yesterday, and I will repeat it in English, was whether the department would leave navigation open between Quebec and Montreal this winter, because there were reports in the Quebec press a few days ago that the channel would be open for winter navigation. That was the purpose of my question, to see if officially the department would leave the channel open during the winter months this year.

Mr. Hees: No, Mr. Speaker.

Hon. A. J. Brooks (Minister of Veterans Affairs): I wonder whether I might supplement the answer given by the Minister of Transport. I should like to point out that in Canada we have other ports besides Quebec and Montreal. I refer particularly to Saint John and Halifax, the winter ports of Canada. The minister's answer—

Some hon. Members: Order.

Mr. Brooks: The Minister of Transport could very well have answered that there is no necessity for keeping the St. Lawrence open between Quebec and Montreal during the winter months. This winter has shown it would be an impossibility in any case. I suggest that the hon. member forget it.

Some hon. Members: Sit down.

Mr. Speaker: Order.

Mr. Bourget: On a question of privilege, the reason I asked the question was that I wanted to know whether the department had enough icebreakers to provide for navigation not only in respect of Quebec but all other ports that need icebreaking. The question asked by the hon. member for Gloucester was asked for that purpose. I have no objection to the ports of New Brunswick, Nova Scotia or any other place in Canada being kept open. I also asked the question because the matter was mentioned in the Quebec press.

Mr. Speaker: Order.

Mr. Winch: You do not need icebreaking in Vancouver.

Mr. Hees: The answer I tried to convey in my imperfect French was that we are going to carry on icebreaking operations between Toronto and Montreal in exactly the same way—

Mr. Pickersgill: Toronto?

Mr. Hees: Quebec and Montreal.

Mr. Pickersgill: That is certainly taking a broad view.

Mr. Winch: It sounds like more champagne.

Mr. Hees: Quebec and Montreal, just to make it as impossible as is possible for the Montreal harbour to become flooded.

Mr. Speaker: Order. It seems to me that the minister has broken the ice too well. Perhaps we might turn now to more serious questions.

Mr. Robichaud: I should like to ask a supplementary question. In view of the well-taken interest in the maritime ports by the Minister of Veterans Affairs, for which I thank him, will the Minister of Transport reconsider his decision not to open Pictou harbour?

Mr. Hees: As I explained yesterday, we would open Pictou harbour for that particular shipment if it were possible but, as I pointed out, it would require the services of our two biggest icebreakers, which are very heavily committed on other extremely important work at the present time. For that reason it is impossible.

Mr. Speaker: May I say to the hon. member for Gloucester that he should not expect an answer to the same question on two successive days.

COAL

NOVA SCOTIA—REPORTED CLOSING OF COLLIERIES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Mines and Technical Surveys arising out of telegrams I have received from William Marsh, president of district 26 of the united mineworkers and Allan Foley, president of the Phalen local, dealing with the projected lay-off, in February and for at least four months following that, of 4,000 coal miners.

Will the minister say what consideration the government is giving to the request of the dominion coal board that its powers be extended to include authority to market surplus coal as a means of disposing of such coal and assuring employment by keeping the mines operating?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): I thank the hon. member for having given me notice of his question a few moments ago. I have nothing to add to what I said last Friday. I did not, however, receive official confirmation of the intention of the company to lay off some men. I have received a telegram along the same lines as the hon. member, and I may say that the matter is under consideration at the present time.

Mr. Robert Muir (Cape Breton North and Victoria): May I direct a further question to the Minister of Mines and Technical Surveys of which I have not given him notice, and ask him whether he was informed officially by A. V. Roe that there was to be a shut-down by their subsidiary, Dosco, of the coal mines in Nova Scotia prior to the company's announcement; and whether it is not correct that he has since received a letter from this company, whose actions since entering the province of Nova Scotia have, to my mind, certainly been questionable.

Mr. Comtois: I will check the matter with the dominion coal board to see whether there is any foundation for that statement.

CIVIL DEFENCE

REQUEST FOR TABLING OF REPORT

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of National Health and Welfare if he has received a report which the government authorized a distinguished Canadian soldier to make in the matter of civil defence and, if so, when that report will be tabled.

Hon. J. W. Monteith (Minister of National Health and Welfare): The report has now been received. It is being studied, and I expect to have an announcement to make in the house in a very few days.

Mr. Martin (Essex East): Does the minister intend to table that report for the consideration of this house?

Mr. Monteith (Perth): My first answer still goes.

Mr. Martin (Essex East): The answer is no.

Mr. Monteith (Perth): Do not put words into my mouth.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, January 19, consideration of the motion of Mr. W. H. Jorgenson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Pearson, and the amendment to the amendment of Mr. Argue.

Mr. Frank McGee (York-Scarborough): Mr. Speaker, it is with considerable trepidation that I venture to make my contribution to this debate following the heavy artillery of

yesterday, the sounds of which still seem to echo through this chamber. I should like to express my personal pleasure at finding you still in the chair. I should like further to add my congratulations to those which have already been expressed to your deputy, the chairman of committees, and to the mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address, and to say that I am happy to see that my admiration for the hon. member for Provencher is now being widely shared in this house. As for the hon. member for Montmagny-L'Islet, there is very little I can add to the universal praise and acclamation he has received from all corners of this house and in every newspaper I have been able to read since his speech was made.

I agree with everything that has been said, Mr. Speaker, concerning the speeches of the mover and seconder. There is one other comment I have to make about the tone of those speeches and their constructive aspect. The benefits which will accrue as a result of the suggestions made will continue for a long time to come. I might add, however, that the tone of the debate changed sharply when the Leader of the Opposition (Mr. Pearson) rose to his feet yesterday.

Referring to battles best forgotten, and taking a narrow partisan view of the various problems facing this country, I am happy to say he reaped the whirlwind later in the day. The Prime Minister (Mr. Diefenbaker) had no choice but to reply in kind to that type of speech and to destroy the flimsy structure of those partisan arguments. I mentioned heavy artillery. As we know from experience in the last war, the heaviest artillery barrage still leaves a job to be done by the infantry.

I should like to take issue with the Leader of the Opposition concerning statements made to the people of Canada by members of the Conservative party concerning tight money. I suggest that he examine the record previous to the 1957 election in the riding of York-Scarborough and in every other riding I visited during the election. He would find it was the discriminatory effects of the tight money policy as applied by the Liberal government which were under fire, the fact that the small businessman bore the brunt of that policy. It was not a blanket condemnation of tight money or monetary policies.

The Leader of the Opposition referred to the famous white paper which appeared and disappeared presumably in the same drawer as the famous Canada medal, and other Liberal schemes. A notable feature of that white paper, as I recall it, was the shelf of public works. As I have stated in this house —and the hon. member for Essex East (Mr. Martin) did not disagree with me—that shelf did not exist, and was not available when needed by the present government.

I found it passing strange to listen to the Leader of the Opposition yesterday and his comments in general about government action concerning recession and inflation. I recall that in a television broadcast he referred in detail to this subject. We do not have the benefit of a staff to sit in front of television sets and make notes, but I do recall specific questions being put to the Leader of the Opposition on that program early in December asking him if there was anything he had to propose in the anti-recession field which the government had not already done; and his answer, as I recall it, was no. He was then asked whether there was anything which the government was doing with which he disagreed, and the answer to that question was also in the negative. I found it passing strange to hear the comments in the economic field yesterday by the Leader of the Opposition in such dramatic contrast to his statements to the nation in a television interview.

He has accused the government of adopting policies in fighting this recession which he characterized as fumbling and bumbling. I would like to take the Leader of the Opposition to my riding and to many other ridings in this country and show him low cost homes, low rental homes, homes that have been built and are now being constructed for the senior citizens of this country, homes being built for young families, homes they can afford to buy and maintain, as a result of these fumbling and bumbling policies. I ask the hon. gentleman if he disagrees. Would he prefer not to have seen these policies implemented which have had what I consider a tremendously beneficial result?

We will hear from hon. gentlemen opposite the words "fumbling" and "bumbling" in relation to almost every department of government in respect of their active anti-recession activities, and I may be permitted to anticipate just a few of the departments that will be subjected to this type of criticism. As long ago as December 1, 1958, the Minister of Public Works announced that jobs for 250,000 Canadians would be provided this winter by the government's housing program. I submit you cannot separate the on-site activities of building from the effect of such construction on the rest of the economy. One must consider the myriad items that have to be manufactured to supply these homes and furnish them when built and occupied. A conservative estimate of the potential indirect employment that could flow from that program is at least as much as the on-site employment, another quarter of a million jobs, and one-quarter of a million and one-quarter of a million make half a million jobs.

We move further into the government's own construction program, which will provide on-site employment this winter for 150,000 men. Certainly the ratio in that type of construction has far wider effects on the rest of the economy, but let us consider just a conservative estimate of 150,000 indirect jobs, or a total of 300,000 jobs, indirect and on-site.

We could go from department to department considering the beneficial results of the acceleration of anti-recession activities undertaken by this government and come to impressive totals which I am not prepared to present at this time. These are but a few of the examples of effective anti-recession activities which by no stretch of the imagination can be described as fumbling and bumbling.

Scarcely any item escaped bombardment yesterday in the remarks of the Leader of the Opposition, but from that torrent of words there emerged what is surely one of the most fascinating definitions of Liberalism ever to have been formulated. Hon. gentlemen may perhaps recall these words of the Leader of the Opposition uttered yesterday and reported at page 33 of *Hansard* of yesterday's date:

> Certainly no Liberal can be anything but a champion of the rights and liberties of the free man against dictates and pressures, from whatever source they may come.

I wonder where were these brave fighters for Liberalism when the dictates and pressures of Mr. C. D. Howe steamrolled certain measures through this house? Where were these brave fighters for Liberalism at the time of a certain division that I recall very well in the 1957 session, when we saw brave Liberals flitting back and forth behind the curtains fearful because they might have won a vote?

I expected from the Leader of the Opposition something of a more positive and constructive nature with respect to the serious economic situation which confronts this country. I have a theory formulated from my studies of parliamentary history in Canada. I call it the "middle year" theory. Parliament is at its best and does its most effective work in the years between elections. In the session immediately following an election there is perhaps too much acrimonious debate with hon. members reminding each other of what might have been said in the heat of debate on the hustings. In the session before an election perhaps too many of us speak too much to the electorate and too little to each other in creative consultation concerning the issues at hand. Certainly if at any time we can have the calm and considered judgment of the representatives of the ridings in this country it should be in these middle years.

I looked forward earlier this session to having such a spirit prevail. This was destroyed completely yesterday by the tone and manner of the Leader of the Opposition when he spoke as I submit he did to the detriment of the deliberations of this house. I say further that we in this chamber would receive the thanks of a grateful nation if we set our minds to the serious tasks confronting us, particularly in the economic field, in seeking constructive solutions to these problems which is surely the highest function of parliament.

I have a few suggestions to offer, and perhaps I may be permitted to voice them. My first reference, of course, must be a plea for a less partisan approach to these difficult problems. Second, I would urge the instigation of a study which may already be under way to equalize the effects of monetary policy to prevent a recurrence of the discriminatory type of effects of the tight money policy of the previous administration, and to protect the small businessman from the squeeze. I also think we would do well to give serious consideration to a more flexible fiscal policy. It has been demonstrated fairly clearly that there are limitations to economic predictions and their accuracy. Great care however should be taken to retain the prerogatives of parliament in this regard.

I would also plead for the retention of the more important and favourable aspects of the housing program which has proven to be so effective as a monetary and fiscal policy. If this should be reduced in years to come when we are involved in another type of battle we will have lost the beneficial aspects of such a program which should be retained. I refer again to low cost housing, low rental housing, housing for senior citizens and urban redevelopment schemes.

As I have said before in this house, we have a form of recession each winter in Canada. These housing programs, particularly in the fields I mentioned, could be related to solving the problem of our annual winter recession. I have seen in my own riding, as I am sure many hon. members have seen in theirs, new construction techniques being adopted. Encased in envelopes of plastic polyethylene film, building can go forward in spite of severe temperatures outside. The adoption of such techniques and the application of new materials in the housing field make it possible for the continuation of an effective construction program despite the Canadian winter.

It was suggestions of this type that I expected to hear—and I hope we will hear many more from hon. members of all parties

in this house—during the course of this session. I should like to have heard similar suggestions from the Leader of the Opposition yesterday.

I was particularly disappointed but perhaps not surprised when the hon. member for Assiniboia (Mr. Argue) took the floor yesterday and commenced with the typical pious and sanctimonious denunciation of the government and official opposition. But as I listened to him I wondered where was the brave leader of that group who, speaking on a platform in his home province not long ago, castigated and denounced the Prime Minister while gesturing wildly and wheeling his arms around the world. Surely the hon. member for Assiniboia does not lack the moral fortitude to face the Prime Minister with the type of accusation he had made in his home province; but though I expected to hear something of this kind yesterday there was no mention of it by the hon. member.

I expected to hear something about the reaction of westerners to the situation in his own party which was referred to yesterday in the press. It said that active members are splintering away from the Manitoba C.C.F. party because of the methods being used to create the new political party. I expected to hear something of the platform and program of this new and vital party which it is hoped will receive farm support. Who knows; perhaps this new platform was placed in the same dark spot as the Regina manifesto and other such statements.

There was in the hon. member's speech, I submit, Mr. Speaker, an indication that a little meeting was held. If I had the ability to write a dramatic account of that meeting, Mr. Speaker, I would say that what went on was this. One hon. member said, "I will shout about unemployment; you shout about inflation; we will both shout good and loud." No matter what the government does it is damned if it does and damned if it does not. I do not think the people of Canada will be misled by that shallow subterfuge. I think they know that when the battle of the recession has been won, as it will be won in the very near future, this government will come to grips with the battle of inflation; and further, that the vigorous and aggressive qualities that characterize this government will win that battle of inflation. Of that let there be no doubt.

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to begin with a word of commendation for the way in which you perform your duties. You were the recipient of many compliments and congratulations when you were appointed Speaker of the house. I recall that at our last session every member had a word of satisfaction on your appointment, and as a new member I joined my colleagues in expressing my sincere appreciation. However, it was not until I became better acquainted with the rules of the house that I began to realize the importance of an impartial Speaker.

I recall one instance when I offered an amendment on the second reading of a bill making changes in the Income Tax Act. My amendment called for consideration being given to repeal or reduce the excise tax on motor cars. The Minister of Finance submitted that the amendment was out of order, but after listening to the arguments you allowed the debate to proceed and it was put to a vote, notwithstanding the embarrassment to the government when it was reminded of past Conservative statements and promises compared with performance. On that occasion you earned the reputation of a worthy holder of the high office which you occupy and I trust that you will remain in the chair for a long time, irrespective of the political party which may be in power, for I hardly anticipate that this government will remain in power beyond the foreseeable future.

I also wish to say that I found the Deputy Speaker and the deputy chairman of the committee of the whole worthy of occupying their respective offices.

The mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address in reply to the speech from the throne certainly deserve congratulations for their excellent presentations, and I certainly hope their expectations regarding the contents of the address will be justified. For my part, I feel that the leader of Her Majesty's loyal opposition (Mr. Pearson) has made a much clearer analysis of the speech, and I am forced to the conclusion that the government is still unsettled in its policies to meet the many important issues the solution of which is vital to the restoration of an economic climate of confidence, which this nation enjoyed in the post-war period under a Liberal administration.

In its general terms the speech contains some features which are welcomed by most Canadians, such as the reference to the discussions taking place with the government of the United States to enable Canadian industry to share in the production of equipment for joint defence purposes, which I trust will help especially the unemployment situation which is very serious in my constituency. When I say this I do not mean to be a spreader of fear. The situation is threatening to become worse unless the government will do something to ensure the continued operation

of the Canada Car plant, which is manufacturing buses and tractor trailors at the present time. The president of the company made the statement in Fort William recently that the decision had been made to transfer all their commercial operations to the Dominion plant in Montreal, and to dispose of their Fort William plant. This announcement was a sad blow to the economy of the entire lakehead. It aroused the entire community, with the result that on January 8 a large delegation from the lakehead met with the Acting Prime Minister (Mr. Green) and other ministers to discuss the seriousness of the situation.

I must say that we were cordially received and were given a good hearing, for which I thank the Minister of Public Works (Mr. Green), the Minister of Defence Production (Mr. O'Hurley), the Minister of Labour (Mr. Starr), the Minister of National Defence (Mr. Pearkes), the Minister of Finance (Mr. Fleming), the Minister of National Revenue (Mr. Nowlan), the Minister of Transport (Mr. Hees), and their respective deputies. Promises of consideration were given, and the delegation left the capital with a feeling that something had been accomplished. I sincerely hope that what the Prime Minister said last night, namely "the stronger the lobby the weaker the case" will not apply in this case. I express the hope that the government will make sure that this plant, which during the last war designed and produced Grumman fighter planes, the Gregory dive bombers and the Hawker Hurricanes and, since the war, the Harvard trainers, street railway cars, electric coaches, gas and diesel buses, Arctic huts for the United States army, tractor trailers, including heated and refrigerated models, will receive immediate consideration in the light of national interest.

The speech makes reference to an increase in Canada's contribution to the Colombo plan. We are all in favour of it, but why should this increase not be made in kind, such as with farm implements? This is a suggestion made by Senator N. M. Paterson to me, which if implemented could induce manufacturers such as Massey-Harris to manufacture these implements in the Canada Car plant in Fort William. Such an enterprise would not be subject to the uncertainties of defence orders to keep the plant in operation. It would also supply all our western farmers with machinery on a permanent basis which, after all, would be more desirable than the relatively short term operation of defence production. I am putting forth this idea as an alternative which I feel has merit.

It pleased me to notice that at last the government has recognized the justice of granting supplementary pensions for retired civil servants and R.C.M.P. members on a permanent basis. Last year I had a resolution on the order paper in support of this measure.

In connection with the clause in the speech from the throne dealing with the establishment of a joint committee of both houses to review the Indian Act, I offer the suggestion that the government should give serious consideration to showing a more sympathetic approach toward the welfare of our Indian population. We have been all too prone to overlook some of their inherent rights in the past and to treat them indifferently. The Indians should not be treated as second-class citizens. Their record in our armed services during the first and second world wars was second to none.

In so far as housing is concerned, there does not seem to be any decline in the demand. Indeed, this is one item for which the demand is on the increase year by year. All one has to do is add up all the marriages taking place in these communities, and then it is easy to calculate the future requirements for housing. The natural increase in population, added to the number of new immigrants, creates a constant demand for low cost housing which the industry is not able to satisfy without government assistance to prospective home-builders by way of loans at a low rate of interest on houses costing $12,000 or less. I suggested last year that a 2 per cent subsidy on prevalent rates of interest be considered for this type of home.

The reference to the housing problem in the throne speech falls rather short of expectations, since the need for dwellings to rent is so great that mere encouragement is not enough. We are faced with an unemployment situation which is critical, and anything that is said to the contrary will not make the thousands of unemployed in my constituency any happier. While an increase in tempo in the house-building industry will not be a cure-all for the ills caused by unemployment, it will at least create jobs in many fields. I am not a pessimist and there has never been depression in my vision, but at the same time I do not share all the optimistic predictions which have been made by members of the government concerning the easing of unemployment. Nothing would please the members on this side of the house more than to see the end of unemployment, but until we see a better picture it appears to me to be our duty to point up the need for transposing those rosy predictions into actuality.

Having served as mayor of the city of Fort William for eight years, I was delighted to hear that parliament will be asked to assist the municipalities of Canada in financing construction projects. I hope this aid will not be limited to the recently announced winter work program in conjunction with provincial governments. In this connection it may interest you to know that this project has only benefited 120 unemployed in the city of Fort William. I express the hope that the assistance will go beyond the presently prescribed limitations.

One of the best forms of assistance to municipalities of which I know would be the establishment of a fund to be used for making loans directly to municipalities at a low rate of interest to finance the construction of essential public works such as sidewalks, sewers, pavements, bridges and schools. Another form of assistance would be the extension of tax relief on municipal purchases. During the last session the government removed the tax on certain purchases such as fire apparatus and road-building equipment. Municipalities should be exempt from all taxes on purchases of equipment and motor vehicles used by the works, engineering and police departments. The federal government could assist municipal councils by recognizing the combined provincial and municipal expenditures for the construction of technical and vocational secondary schools, and by making additional funds available to share in these costs.

Of all the legislation proposed by the Prime Minister none has received so much attention through all the known media of our times as has the bill of rights, which was introduced in parliament during the last days of the last session. There is indeed no shortage of arguments, pro and con, but there seems to be an area of general agreement in the fact that our laws and our courts have always protected our individual liberties guaranteed under our constitution. I am not a lawyer and I do not profess to be in a position to enlighten the house on what may be hidden behind the high-sounding words which appear in abundance in this document. Of course I am all for the things for which it is supposed to stand. After reading about the postmaster of a small sub-post office in York township who was dismissed because of a letter written to a newspaper criticizing the Prime Minister, I would say that the bill of rights falls far short of guaranteeing a man's freedom of expression if vocal expression of a political belief is involved.

So far as I am concerned the Postmaster General's statement that the Liberal administration fired 325 post office personnel since 1935 is not the slightest excuse for meting out such inhuman treatment to employees. This is an action which contravenes any and all rights of free speech and assembly, and is in direct contradiction of the rights in the bill outlined so ceremoniously by the Prime Minister himself in the last days of the last session. If there is a right which should be guaranteed to every man and woman by this government, it is the right to free expression of opinion, even on the political platform, whether he or she is employed by private enterprise or by government. You may laugh if you wish; it is quite all right.

This is one of the most fundamental rights which should be respected regardless of whether or not there have been precedents approved by any government in the past, whether Liberal or Conservative. This government would render a great service to the whole country if it would come out with a declaration that in future there will be no dismissals of any members of the civil service or discrimination shown to anyone because of political activities, so long as those activities do not conflict in any way with the performance of their duties. Without this freedom of action this proposed bill of rights becomes nothing more than a document full of words without meaning.

If we must have a bill of rights—and I am certainly not opposed to it—let us have a bill which will spell out its meaning and which will include the declaration that no person shall be discriminated against because of political affiliations or activities, and which will apply to all persons including those in the employ of the government. Such an addition would give the bill substance, and I would be the first to stand up and cheer for it.

Nineteen years ago Stephen Leacock, in his history of Canada, had this to say about northwestern Ontario:

> Perhaps the brightest page in these annals is the record of discovery and exploration of the incalculable mineral wealth of the central wilderness of Canada between the Hudson bay and the lakes. This means far more than the wealth itself, great though it must be. It removes from our commonwealth its fatal geographical defect of an uninhabited and seemingly worthless central area which broke east and west apart forever. The touch of King Midas is turning desolation into fairyland.

Since the great Canadian writer made this statement, northwestern Ontario has made considerable progress in the development of mines and forest products which has created a great industry, hydroelectric power will soon reach one million horsepower, and there is even a growing farm area. Also new communities have sprung up on the map of this great northern area.

I admit that the Prime Minister's vision of expanding and developing the country's northern regions to unlock its wealth of natural resources has captured the imagination of many Canadians. I submit that our federal government need not seek the very far north of Canada in order to apply this policy of development. The lakehead area in the very centre of Canada from lake Superior to Hudson bay and James bay is the very challenge to the imagination which our Prime Minister is seeking. No railway serves our region north of latitude 50 degrees. No highway goes beyond the Albany river and Red lake. In this vast territory the population averages one person per square mile. That is the situation right in the centre of Canada. What an opportunity there is for the government to open up central Canada with a railway and highway to connect the fresh water coast of lake Superior and the salt water bays of Hudson and James, tapping natural resources for nearly one thousand miles between them; to encourage and assist a new wave of settlement with a selective hardy stock of immigrants, creating new jobs, bringing more people and more wealth and developing strength and security for the whole of Canada.

This great area with the lakehead as its pivot, soon to become an ocean port, is awaiting the construction by the federal government of a modern harbour which has been promised. Notwithstanding divergencies of opinion with regard to the location of the proposed installations, when finally competent engineers decide on the site on its merits, solely from the standpoint of service to the whole area, then objections will vanish and the people at the lakehead will feel relieved from further uncertainties.

One cannot speak of the harbour without expressing disappointment at the delay in the appointment of the harbour commission, for which delay the government tried to blame the two city councils of Fort William and Port Arthur. These two cities appointed their members last July, only to be told later that the appointments were not valid because the bill to establish the lakehead harbour commission had not obtained royal assent.

I express the sincere hope that what the Prime Minister has in mind in his reference to the discrimination in respect of freight rates is to alleviate the discriminatory effects of the freight rate boost on the lakehead. We can all agree that the 17 per cent freight rate increase recently granted to the railways by the government was requested for the express purpose of meeting the wage increases demanded by the unions concerned. This being the case, I cannot help but consider it most unfair to areas such as the lakehead which is approximately 850 rail miles from Toronto.

The distances between our centres of population and between industries are great. Freight rates are a big factor in the industrial development of northwestern Ontario. In the matter of grain movement and the transfer of goods between west and east, we are much more closely connected with Winnipeg and western Canada than with the east. Indeed, our economy is linked more closely with that of the province of Manitoba than with that of the eastern part of the province of Ontario.

I am sure my colleagues from northwestern Ontario will be as pleased as I was to learn that the government intends to spend more money than it has spent previously upon the trans-Canada highway. Because of the deplorable conditions of the trans-Canada highway from Fort William west to the Manitoba border many of our citizens are compelled to travel to Winnipeg via the United States. Quite recently the engineering experts employed by the Department of Transport predicted that from 50 to 100 transport trucks will be leaving the lakehead for the west every day once the lakehead seaway terminal is completed. I would most sincerely urge that sufficient funds be provided by the government to have this portion of the trans-Canada highway completed and ready to receive the increased traffic expected.

I wish to speak now on one aspect of national defence which concerns the city of Fort William. I refer to the Fort William armoury, which ceased operation on the 15th of this month. The building was formerly a hockey arena. It was purchased by the Department of National Defence in 1942 for $14,000. It was originally erected in 1919 at a cost of $40,000, and was of frame construction with timber beams and trusses. The property was owned by local residents who incorporated and were shareholders in the Fort William Arena Company.

Fort William previously had an armoury in a commercial block in the downtown area of the city. The facilities provided there were rather confined. In 1942 the need for a real armoury to train the reserve force became so acute that the Department of National Defence purchased the arena as a temporary expedient. In 1951 the council of the corporation of the city of Fort William offered a site to the Department of National Defence for a new armoury in a very central and suitable location. This site was offered on an exchange basis for the present armoury site. On July 26, 1954, a communication was

received from headquarters, prairie command, from which I quote:

> Army headquarters have now advised us that your proposed site is satisfactory to the Department of National Defence. Army headquarters propose to take no further action until the treasury board approve the construction of the armoury in Fort William after which the exchange of lands as outlined by you will be arranged. Army headquarters have requested that the proposed agreement cover the use of the old armoury by the Department of National Defence until the new armoury is completed.

That letter was signed by N. E. Rodger, major general, in command of the prairie command. Sir, the armoury is now closed and the units will be transferred to the Port Arthur armoury. No consideration has been given to the status of the present armoury other than declaring it surplus and transferring it to war assets for disposal.

The city of Fort William objected strenuously to this procedure, for the land on which the armoury now stands is required by the city of Fort William to serve the Fort William Gardens, a large community centre adjacent to the armoury. Consideration has been given to providing accommodation for the cadet units which have been using the armoury ever since it opened, but no consideration is being given at the present time. These units comprise approximately 350 secondary school students who have been training regularly and are now deprived of the accommodation. This will mean that the present strength will eventually disintegrate, as there is no other suitable building to serve the purpose.

Last November I, as mayor of the city, sent a brief to the Minister of National Defence, but the only response received so far has been an acknowledgement. I submit on behalf of the city of Fort William that it has a right to expect some consideration of its proposal, and I trust that the minister will take another look at the situation because I am confident that he will be convinced that a city of 43,000 people guarding the granary of the nation should not be without the facilities to train our young men to take their proper places in the event of an emergency.

I am an ardent advocate of any measure that will bring about the establishment of a loan fund to assist those on undeveloped farms, especially in northwestern Ontario and other similar areas requiring hardy and dedicated people to make a success of such projects. We have that type of people in the district of Thunder Bay, but they find it difficult to obtain loans from established banks.

It seems to me that there should be a liberalization of the act governing the Canadian farm loan board. As an example, I have received several letters from Mr. Gerhard Klinge of Walmsley, a township in my constituency. This chap came to Canada from Germany in 1951. He is married and has four boys ranging from 4 to 18 years in age. In 1954 he bought a homestead in the township of Pearson, and in 1957 he bought a neighbour's farm of 160 acres. With this farm he bought 10 cows as well as some farm equipment. In his spare time he worked in bush camps, and the monthly income of this hard working man from all sources was approximately $500, most of which was being used to make payments on mortgages and equipment. He required a loan of $8,000 and applied to the Canadian farm loan board. He even had the recommendation of the local agricultural representative. The loan was refused on the ground that his income was not sufficient to meet his obligations.

Evidently the farm loan board did not take into consideration two important aspects. The first is the character of the applicant, which to my knowledge is excellent, and the second is the anticipated increase in the income of the applicant as a result of the improvements he would have been able to achieve if he had been able to obtain the loan. I have no quarrel with the idea of helping the farmers of western Canada. I heartily approve of consideration being given to improvements in the Veterans' Land Act. But Canada needs men like Mr. Klinge. Because of men like him we can now boast of the sound foundation upon which this nation is being built.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Badanai: Mr. Speaker, when we adjourned I was speaking about the necessity of helping the small farmers. I think we should do something to improve the lot of these hardy pioneers who operate not huge wheat farms but mixed farms, dairy farms, and truck garden farms. These are the people who for the most part are the farmers in the district of Thunder Bay.

I would be remiss if I did not mention the needs of the small tourist operator, the motel owner and others who are engaged in the tourist business of our nation. They too deserve recognition in the form of assistance; not charity, but the opportunity to secure loans and to improve their holdings in order to bring more tourist dollars to Canada. They too serve this country well and are worthy of consideration along with the small businessmen.

The visit of Her Most Gracious Majesty Queen Elizabeth II and Prince Philip for the purpose of officially opening the St. Lawrence seaway will make 1959 one of the most memorable years in the history of Canada. The sailing of the *Britannia* up the St. Lawrence and on to the head of the lakes, which is the end of the Canadian seaway, will undoubtedly be recorded as one of the great events of our time. The council of the city of Fort William has already appointed a reception committee, and I am informed that it is already at work in preparation for this historic event.

Day after day our newspapers carry the sad story of unemployment and its evil effects upon family life, pointing out the danger to our own way of life. This should serve as a reminder to the government of the gravity of its task. The Prime Minister has found pleasure in referring to the leader of the official opposition as a Jeremiah. I would refer the hon. gentleman to another prophet, Ezekiel, who in chapter 12, verses 22 and 24 warned us to beware of vain visions, in these words:

> The days are prolonged and every vision faileth . . . for there shall be no more any vain vision nor flattering divination . . .

I respectfully submit—

Mr. Speaker: Order. I regret to inform the hon. member that his time has expired. Has the hon. member permission to continue?

Some hon. Members: Agreed.

Mr. Badanai: I respectfully submit that the time has come to be less visionary and more practical in our attempts to solve the economic difficulties which we now face. The solution does not lie in trying to minimize, contradict or ridicule the facts about the state of our economy so ably presented by the Leader of the Opposition, whose analysis of the record of performance of this government is without doubt another illuminating chapter in the history of debates in this house.

Mr. Clement O'Leary (Antigonish-Guysborough): Mr. Speaker, my first words are ones of welcome and congratulation to the four new members who took their seats on opening day, January 15. At the same time I extend my deepest sympathy to the relatives and close friends of the late hon. members for Springfield and Trinity who sat with us last session. To the hon. members for Provencher (Mr. Jorgenson) and Montmagny-L'Islet (Mr. Fortin) I offer my special congratulations, first on their having been so honoured, together with their constituencies, and second on the very excellent content and presentation of their addresses to this house.

It will be just one year at the end of this month since my predecessor for the constituency of Antigonish-Guysborough, Mr. Angus R. Macdonald—or "Angus D.D." as he was better known—was stricken critically ill while performing his duties in this house and as parliamentary assistant to the Minister of Transport. Mr. Macdonald somewhat miraculously survived major surgery, and though he is still very far from being a well man I am happy to be able to tell his many friends that his condition is showing constant improvement.

Some hon. Members: Hear, hear.

Mr. O'Leary: Hon. members have indicated that they join in extending to Mr. and Mrs. Macdonald and the family our warmest wishes for his complete recovery.

The constituency of Antigonish-Guysborough is one whose economy is based almost solely on the successful operation of three of the primary industries, namely agriculture, fishing and lumbering. The largest centre is Antigonish town itself, the home of St. Francis Xavier University, a university which has gained an international reputation in the field of adult education through its extension service. From a strictly academic point of view this university is likewise well recognized throughout this continent, and has among its present student body young men and women from every province in Canada and from many states in the United States.

The St. Francis Xavier extension department has carried on its adult education program for almost 30 years. Significant numbers of students, as individuals and as groups from the Caribbean, South America, Africa and especially from southeast Asia, have been coming for many years now to study the program of this extension department. Three of the faculty members spent some time in southeast Asia promoting the program. Two of them were taken out there by officials of the Colombo plan. One of the department's personnel spent two years in Ceylon, where he set up a little St. Francis Xavier extension department. An associate director of this department for many years was called to India three years ago to promote the program, and just last fall both he and the man who had been in Ceylon were asked to go to Australia to help out on a short course for fisheries leaders of the Asian countries from Pakistan to Japan.

On August 5, 1952, reflecting on the experience of this extension department, Dr. M. M. Coady, for many years the dynamic director of this department and now Monsignor Coady, director emeritus, outlined its fundamental philosophy in these words:

> The general purpose of the St. Francis Xavier extension department was to mobilize the people for continued adult learning. This was based on the conviction that in a democracy, people should not be allowed to float down the river of events

but that positive purposeful effort should be put in the business of bringing them along the road of progress. They should come under their own steam, of course, but it is the work of educational institutions to organize them to do this. It is also the work of educators, we believe, to spearhead the thinking of the nation. We expect this in the field of the arts and sciences; there is no reason why we should not have it also in the field of social affairs.

The fishing industry in my constituency as in many sections of Nova Scotia and the Atlantic provinces is of vital importance to our counties. In Guysborough county it is paramount. In Antigonish county it is a very significant and contributing factor to the total income of the people. True, there has been a decline in the actual number of fishermen who previously secured their entire livelihood from this source. The reasons for this are varied and fairly numerous. None the less in the past year, though the total catch was down somewhat, increased prices compensated for this drop in volume and as a result the industry, generally speaking, provided sufficient encouragement to a substantial number of our fishermen to cause them to make plans for an expanded program in the coming year, and to attract others to the industry.

A few shore sections of our counties where the residents are attempting to re-establish themselves in the industry are faced with the problem of finding proper and adequate shelter and docking facilities for their boats nearby. As the industry declined in these areas so did the facilities once placed there, which were maintained only so long as their commercial use justified the expenditure of the public moneys involved. I well realize this sane attitude on the part of the government but I do say that now, if there is any apparent hope of revitalizing the industry, no effort or expense should be spared in providing at least the essential facilities such as wharfs, breakwaters and such dredging as may be necessary to accommodate the fishermen concerned.

As for those fishing districts which have increased or maintained their volume, I must say that the Minister of Public Works has been more than sympathetic, and I wish to thank him on behalf of the fishermen of these areas for his tangible appreciation of their needs during 1957 and 1958. This does not mean that all our requirements have been met, but we are hopeful for 1959-60 and we shall continue our efforts with his office so long as our needs are in evidence and the industry continues to expand.

I believe, too, that this is the proper place to express our appreciation to the district engineer and his hard working staff in the harbours and rivers engineering branch of the Department of Public Works at the Halifax office, for their splendid co-operation with us at all times.

About two months ago I attended the annual meetings of both the Antigonish and Guysborough federations of agriculture, and as recently as the week before last the Nova Scotia provincial federation annual meeting at Truro. I found all three meetings interesting, stimulating and encouraging. The reports and reviews of the past year's operations indicated that progress had been made, that federal and provincial government assistance to the industry contributed immeasurably toward this progress, that some problems were being solved or were capable of being solved by the farmers themselves, and that still others called for further helpful measures of assistance from government. Resolutions were presented, discussed and drafted for presentation to the appropriate bodies. Plans were made for increased production in certain types of products that could be efficiently and profitably produced and marketed. Discussion was live and frank, and as a result approved recommendations were limited to those which were of sufficient and justifiable importance as to seriously pertain to the over-all welfare of the agricultural industry.

I am happy to observe that the speech from the throne indicates that during this present session of parliament we will have an opportunity to review and revise the legislation concerning farm credit. This subject is of vital concern to my constituency and to the Atlantic provinces as a whole, as was evidenced in the resolution drafted by the Atlantic premiers' conference held in St. John's, Newfoundland, last September. A true and realistic appraisal of our family farms and a recognition of their contribution, not only to the economy of a large number of our people, but of equal and perhaps even greater significance, their contribution to the moral fibre of our society, is long past due. We maintain that our average family farm properly managed and with diversified production can provide a comfortable and enviable living for any Canadian family.

I quite agree with the statement that it requires more brains to be a successful farmer than it does to be an average member of a profession or other occupation. Speaking of Nova Scotia, I feel that we will have no difficulty in meeting this challenge because our province has a long but not proud record of exporting brains. Succeeding generations have continued to produce such men in our rural communities, and it is

these who can very successfully operate their fathers' farms and bring back into production farms that have been vacated over the past quarter century and more. But in order that our young rural people may take this, their rightful place, as proud owners and successful farmers, they must be given the opportunity to borrow the necessary funds for the many and varied improvements to be effected in their lands, buildings and farm equipment.

At the present time there is no agency that can satisfactorily serve the complete credit needs of these people. True we have farm loan boards, land settlement loans, credit unions and banks, but none of those are so constituted or equipped to serve the long term capital needs of our average small farm. It is for this reason that I see hope for our type of agriculture in that which is proposed in the throne speech with respect to farm credit.

A particular situation with respect to the operations of the unemployment insurance commission and a source of not inconsiderable inconvenience and annoyance to those in my constituency filing claims for benefits has recently been corrected, in that we now have in the town of Antigonish for the first time our own claims agent, which service cannot help but guarantee to our people a definite improvement. Previously many delays were encountered due to improper and incomplete applications being forwarded to the office in Pictou county; and this office being over one hundred miles distant from some of the outlying districts of the constituency, it was well-nigh impossible or prohibitively costly for applicants to appear personally at this office. I wish to commend the Minister of Labour most heartily for having initiated this new improved service.

With the hon. member for Cumberland (Mr. Coates) and with, I know, all hon. members of this house, I share a very deep concern over the great tragedy that struck the mining town of Springhill last October. The generous and spontaneous response of governments, organizations and individuals right across this continent genuinely demonstrated the solicitude of all. The magnitude of the disaster both in terms of lives lost and its far reaching effect upon the future of this town brought this about.

Recently we have read reports of this town's citizens being offered opportunities of employment other than at home. This effort on the part of public-spirited firms is to be admired and commended. However, when it is appreciated that the greater number of these men are no longer in their youth but are of middle age, unskilled other than as miners, own their own homes and have growing families, I believe anyone will agree that first every effort should be made to find employment for them at home. The government of the province of Nova Scotia has recognized the necessity for such action, and has taken the initial tangible steps for the encouragement of a local industry or industries. However, we all know that a substantial industry cannot come about overnight, so I wish to place myself on record as advocating that if this government is contemplating the erection of any type of institution in the province of Nova Scotia in the comparatively near future, which could give employment to a number of the citizens of Springhill, I strongly support the selection of this town as the site for such an institution.

At this time I will do no more than commend our government for indicating its intention to take action to alleviate the discriminatory effects of the recent horizontal increase in freight rates.

In March, 1953—and I repeat the year, 1953—a paper sponsored by the town council of Mulgrave and the Mulgrave board of trade entitled, a "Brief concerning the future of the town of Mulgrave" was released to governments and to the public generally. By way of introduction it read as follows:

> For more than half a century the community of Mulgrave has been dependent upon the Canadian National Railway. The employment provided by the rail terminus and wharves, and the rail and road ferries connecting Cape Breton island with the mainland, have made possible the building of a pleasant and prosperous coastal town of nearly 1,200 souls.
>
> Mulgrave is now an incorporated town with 214 residential homes, a modern school that boasts standards comparable with any in the province of Nova Scotia, three Christian churches, recreation halls and playgrounds, and all the ancillary shops and services required by a thoroughly modern and progressive rural community.
>
> Established on a hillside overlooking the strait of Canso, Mulgrave is surrounded by rocky timbered terrain that has no agricultural possibilities. There is, however, a generous supply of seasoned timber available and a number of freshwater lakes lie in the vicinity. The deep water harbour has for centuries been a stopping place for ships plying the Atlantic seaboard; it is regarded as one of the outstanding natural harbours in the east and during the war played an important role as a naval port.
>
> Now, after 50 years of stable growth, the community of Mulgrave faces disaster. The haunting fear of insecurity lies pregnant on the thresholds of her home. The stability of her family life is threatened; and the carefully nurtured traditions from which a lively community spirit has been fostered are in danger of fading into oblivion.
>
> For with the construction of the Canso causeway the *raison d'etre* of Mulgrave's existence has come to an end. The causeway is being built from a point on the mainland at Auld Cove three miles beyond the old car and rail ferry sites, and all the activities which have provided employment to the people of the town will cease as soon as the project is completed.

Then, following certain proposals, the brief went on to say:

The number of men now employed by the federal and provincial governments with the Canadian National Railway and the car ferry is 288. This represents two-thirds of the total full-time working force in Mulgrave. One hundred and seventy-nine of these men have no security of tenure in their jobs and look forward to dismissal on the completion of the causeway. There are in addition, approximately 100 seasonal workers who will be affected.

Over and above this number there are 63 men now employed with the Canadian National Railway who have sufficient seniority in the company to permit their retirement or transfer to some other locality. This portion of the working force does not itself constitute a problem; but its displacement will result in a serious loss to the community.

Against this background of the working force that will be affected must be considered the social consequences that will accompany their displacement.

At a time when millions of the earth's peoples have become displaced through war, misfortune and persecution, the plight of 1,200 Canadians in the town of Mulgrave may not seem unduly grave. But we would point out that the situation which faces us was brought about not by chance but by the deliberate and planned decision of the public authorities. The people of Mulgrave did not protest the construction of the Canso causeway because it seemed the greater good of the wider community would be served by its completion. We do suggest, however, that in achieving the greater good the needs of the small number who are affected adversely by that decision cannot in justice be ignored.

One of the proposals advanced at that time was that the Canadian National Railways—and again I remind you, Mr. Speaker, this was in 1953—construct and maintain a spur line along the coast from the mainland entrance to the causeway to the town of Mulgrave. It was pointed out that without such railway connection Mulgrave could not hope to attract new industry or even hold the small industries then existing. The spur line requested would run three miles from the causeway entrance to the port.

All of the above was advanced almost six years ago, Mr. Speaker. The causeway to Cape Breton island was completed almost five years ago and the events that took place were almost identical to the predictions made a year previous, as outlined in the brief I have just read.

As recently as two weeks ago I sat down with the town's mayor, council and representatives of other interested groups and organizations, and we discussed at some length their existing problem as presented above. We arrived at the following conclusions:

One, that an engineer and economist should be sent to the strait of Canso area in an attempt to evaluate the strategic importance of this area for shipping and transshipping facilities; two, Mulgrave being the entrance to the St. Lawrence waterway and having one of the finest natural ice-free harbours on the Atlantic coast on this continent, needs this latter fact made better known to all shipping interests. Anything that this government can do by way of publicizing this fact will be deeply appreciated. All of the facts relative to this port are easily available: 25,000-ton ships can enter this port without pilots—it is ice free the year round—during the summer it has both a north and south entrance—the harbour has a rise and fall of tide of only four feet. Every captain who has berthed his ship in this port will attest to these facts which result in a speedy and easy berthing rarely if ever found elsewhere. Three, during the winter of 1957 this port received a fair amount of freight normally handled at North Sydney. Conditions at that time resulting in the use of this port could very easily occur again. At that time all available docking facilities were utilized. As a consequence we deem it expedient that present docking facilities at Mulgrave not only be maintained but even expanded to care for present and future needs as we have good reason to believe will arise.

Four, further we believe that the Canadian National Railways spur line from the entrance to the causeway to the port of Mulgrave should be built as speedily as possible.

We in eastern Nova Scotia are very hopeful that a $40 million pulp mill will be built in the area of this port in the very near future. To date Premier Stanfield and his government have carried on successful negotiations with the company concerned; and when this pulp mill becomes a reality, that which I have recommended regarding the port of Mulgrave will be doubly necessary.

As I resume my seat, Mr. Speaker, I conclude with a general statement indicating my reaction to the speech from the throne. It is comprehensive and all-embracing and will, when its directions are implemented, have a good, positive and lasting effect on the lives of all Canadians.

Mr. H. J. Robichaud (Gloucester): In rising to take part in this debate, Mr. Speaker, I want to join with previous speakers in offering my congratulations to the mover of the address, the hon. member for Provencher (Mr. Jorgenson), and to the seconder, the hon. member for Montmagny-L'Islet (Mr. Fortin). Both hon. members performed their duties as good parliamentarians, and I am sure they have earned the admiration of their respective constituents.

I well recall in sessions gone by, when members of the present government were sitting to the left of Mr. Speaker, the comments which were made following the reading of the speech from the throne. They characterized it as an empty document, a meaningless presentation or a confused, vague concentration of generalities. Personally, Mr. Speaker, I certainly do not agree with the concluding remarks of the hon. member who has just taken his seat. I have in my hand a copy of the speech now under consideration during this debate. There is no doubt in my mind that this document gains more prominence by what it does not say than by

what it contains. This document barely mentions, and in most cases completely ignores, problems which should have at this time the most careful consideration.

Last evening in this house we witnessed a demonstration by the Prime Minister who was trying to defend the speech from the throne. In the course of his remarks the Prime Minister proudly stated, and I quote from page 61 of *Hansard* for January 19, 1959:

> —we are now moving upwards. That is, in large measure, owing to the action taken by this government.

Some hon. Members: Hear, hear.

Mr. Robichaud: Yes, I hear the "hear, hear". It is true that the profits of the Royal Bank of Canada moved upward in 1958, but the Prime Minister did not state what part the conversion loan of last fall played in these increased profits. Yes, we are moving upward. Figures have just been released this morning concerning unemployment in Canada which show that unemployment has been moving upward to 419,000 workers who were registered for unemployment insurance and claiming benefits in November last. We are moving upward. The cost of living is moving upward; the price index has reached an all-time high at 126.3. We are moving upward. The interest on loans to provinces and municipalities is moving upward. Everything is moving upward but the unemployed are still looking for work.

In the course of his remarks the Prime Minister also cited certain figures showing the percentage of unemployed as compared with the labour force of this country. These figures varied from 3.8 per cent in 1945 to 6 per cent in the months of February and March, 1950; 6.7 per cent for the same months in 1956; 5 per cent for comparative months in 1957. But when he came to 1958, what did the Prime Minister do? He was aware that the comparative figures for 1958 showed that unemployment had almost doubled that of any five or six years previous. When he came to 1958 he deliberately quoted the figures for the months of October and November, and it was only following pressure from this side of the house that he revealed the percentages for the months of February and March, 1958, which were up to 10 per cent, almost double that of any previous 5 or 6 years.

Now, Mr. Speaker, I realize, as does every member of this house irrespective of party, that Canada should continue to recognize the necessity for providing economic assistance to underdeveloped nations. At the last meeting in Paris on the occasion of its fourth annual conference, the NATO parliamentarians gave special and specific attention to the importance of technical and financial assistance to less developed areas. These matters of vital importance to NATO countries were submitted to the NATO foreign ministers' meeting in Paris last December and, without doubt, must have been considered as problems which should be given a high priority in their deliberations. The NATO countries should seek at once the means of adjusting free world economic programs to counter, and to counter effectively, the Soviet bloc economic warfare activities which are aimed at undermining the economic stability of the free world.

May I take this opportunity, Mr. Speaker, of extending to you and to the other members of the Canadian parliamentary groups who attended the fourth annual conference in Paris my sincere appreciation for their cooperation and good understanding. Our visit to the Canadian air force and army centres in France and Western Germany was a revelation to all of us. The R.C.A.F. squadrons and the four Canadian infantry brigade groups are part of the international commitment on behalf of the people of Canada. Our contribution to NATO in Europe is a subject of national concern. Every Canadian should be proud of the performance of our servicemen stationed in Europe. They have a duty to perform, they have a role to play, and they are doing it to the glory of Canada in the defence of personal freedom.

But, Mr. Speaker, what do we find in the speech from the throne which could give hope, the faintest hope, for the promises made by the present government with regard to the subject of financial relations between the provinces and the dominion? Where is that new dominion-provincial conference promised for January, 1958 and shelved ever since? What has the present government done to alleviate the heavy burden of municipal taxes? Oh, I know that great publicity was given to the Prime Minister's announcement, prior to his departure for his world tour, concerning federal participation in certain municipal projects to be undertaken during the winter months. The Minister of Labour himself took glory and satisfaction in announcing that this so-called benevolent program would provide additional winter work for about 9,000 to 10,000 men.

How many municipalities are today in a position to accept this offer, at a time when the costs of construction are seriously and substantially increased as a result of the difficulties encountered during the winter months? Why was this program not instituted in September or early fall, a period when such work was practical and economical? In many cases federal assistance would

barely cover the additional cost to the municipalities and, furthermore, the total number of workers who can benefit from this program will be just about 2 per cent of the unemployed at the present time, barely a drop in the bucket or a needle in a hay stack. This program is nothing but another example of the complete lack of foresight of the present government and its complete failure to admit the seriousness of the unemployment situation throughout the country.

Where is this grave concern of the past? Where are these bold declarations of the Prime Minister, such as that which was made in Prince Albert on February 14, 1958, when he said:

> As long as I am Prime Minister, no man or woman is going to suffer from unemployment, so long as public works will provide them the assistance they require.

Then a few days later at Brantford, on February 17, 1958, here is what he said. I would ask you to listen to the words of this great evangelist, this new savior of the world:

> The humblest of our people will not be forgotten. The people who are unemployed will not be in the false position of being put on relief.

Then again in Montreal on February 18 last, in a live telecast, he said:

> As long as I am Prime Minister of Canada everything that can be done—everything without regard to limit—will be done to the end that no one will suffer.

Listen to what he said in Cornwall on February 24. The Conservatives had launched a winter works program and were putting forward a huge public works program to take up some of the slack in unemployment. Here are the Prime Minister's own words:

> We have acted. We are meeting unemployment. We have given young Canadians the hope. We have given them the vision.

Yes, Mr. Speaker; they have given the hope and the vision, but still there is no work. What has the present speech from the throne to offer in order to take care of the situation and to implement what the Prime Minister solemnly promised with respect to unemployment? It gives more emphasis to the enactment of a bill of rights and to the approval of a statute to authorize the appointment of parliamentary secretaries who are anxious for those appointments than it does to the plea of the unemployed. What do we find in the speech from the throne? We find less than two complete lines to give hope to the unemployed. We read this:

> Certain amendments to the Unemployment Insurance Act will be submitted to you.

That is all we find. What does it mean? We shall wait and see, as will the unemployed. We know that the fund of over $900 million which was available to the present government when it took office has now been depleted by probably over 50 per cent. What a difference in attitude from that of February and March, 1958 when we were on the eve of a general election; and what a surprise it must be to Canadian workers to hear a member of the present cabinet, namely the Minister of Justice, declare before a group of young Conservatives that the present unemployment situation should be blamed on the previous Liberal administration.

An hon. Member: That is for sure.

Mr. Robichaud: From the other side of the house I hear the interjection "That is for sure". Is the hon. member so blind and so much obsessed by the vision that he has failed to realize that his government has been in power for over 18 months? Is not the shock of the present unemployment situation serious enough to inject into his veins and into those of the Minister of Justice, the Minister of Trade and Commerce, the Minister of Labour and others a sense of reality and, I could add, of responsibility? If the Minister of Justice only knew how futile his arguments were on that occasion and how sterile was his achievement. I am convinced that he would react without further delay to the plea for adequate and more audacious steps to cope with the situation.

Is this the hope, the vision, that was promised in Cornwall on February 24, 1958 by the Prime Minister? For the married workers of the country, for the young and the old of Canada, is this great vision not getting dimmer and dimmer day after day and week after week? Yes, Mr. Speaker, this great vision, with its huge public works program which was supposed to provide jobs for hundreds of thousands of Canadians, has gradually vanished in less than ten months into nothing but a dream; and today we may wishfully say to the Prime Minister, "May your dreams some day come true." How desirable it would be for the Prime Minister and for his government to forget, for some time at least, about being looked upon as men of vision and to settle down to the job of running the affairs of the country.

In the present speech from the throne the plea of the unemployed has been brushed aside. It has been scuttled under the shadow of a meaningless, useless and untimely bill of rights. The right to find work is the bill of rights that the Canadian people are expecting today. If the Prime Minister and his government would give consideration to the recent pastoral letter of His Eminence Cardinal Leger, the terrific affliction of unemployment could be coped with by new and

more audacious steps to remedy this unfortunate situation. There are over 80,000 unemployed in the Montreal area alone, and from 10,000 to 15,000 young people are affected. This situation presents a problem which endangers the peace and harmony which are so essential to a sound and balanced economy.

In my own constituency of Gloucester over 7,000 persons are registered today as claimants for unemployment insurance benefits. Yes, Mr. Speaker; over 55 per cent of our labour force is registered for benefits, and even this figure does not offer a true picture of the situation. At least 2,000 more men or women have not gone to the trouble of registering with the unemployment insurance office because they knew they could not qualify, inasmuch as their eight weeks or ten weeks of contributions did not meet the requirements of the act. Proposals which I have made to the government to alleviate this deplorable condition at least in part have as yet been without result.

It does not seem fair that a farmer or his sons cannot qualify under the unemployment insurance regulations when cutting lumber or pulpwood on the family wood lots, while the same men can qualify if they leave their homes to work in lumber camps. In many cases farm owners have disposed of their wood lots at sacrifice prices to lumber or pulp dealers in order to be in a position to be rehired by these same dealers and qualify for unemployment insurance benefits. Our farmers are victims of discrimination, and an adjustment should be made in the unemployment insurance regulations in order to take care of such cases.

Requests from my constituency are at present before the Minister of Public Works for the construction of new wharves and for improvements to various harbours. Last year I expressed to the minister and to his department appreciation for their decision to proceed with major improvements to the Bathurst harbour in conjunction with mining developments contemplated for the area. Unfortunately conditions have changed. All mining activities in the area are at a standstill. Consequently the project did not materialize, and it may not take place for some years to come. The minister will admit, however, that the business interests of the Bathurst area cannot carry on much longer under present conditions. I realize that discussions are under way with the interests concerned, but I would urge the minister to give instructions to his officials to arrive at an early and favourable decision on this important problem.

Again, on numerous occasions I have outlined to the minister the deplorable situation of the fishermen of Maisonnette who are asking for an extension to their present wharf so that it may be used in their fishing operations. I want to repeat that the minister and the government have at Maisonnette an opportunity to provide employment to practically every available worker in the community. A practical wharf which can be constructed at a normal cost would, at the same time, provide facilities for the local fishermen and work to the shore help for at least four to six months of the year. Here the department is facing a problem which can be solved and which should receive immediate consideration.

The minister and his officials should also attempt to solve without delay the situation at Lower Caraquet. If a decision has been reached by the department, for obvious reasons, not to replace part of the present wharf recently carried away in a storm, consideration should be given to an immediate replacement. The need is urgent. A new location has been surveyed. The project is economically justified, and the local fishermen must be provided with adequate shelter and wharfage facilities for their fishing craft. I have enough confidence in the good judgment and ability of the department's engineers and other officials to expect that new construction will get under way at Lower Caraquet at least within the next few months. If no decision is reached at once in this particular case the fishermen of that community will have to wait until 1961 before they can benefit from wharfage facilities and operate with efficiency. It will mean more unemployment, more suffering for the people of this fishing community.

I also understand that the reconstruction and improvement of the Shippegan wharf have received the approval of the minister and his department. Shippegan is one of the largest fishing ports on the Atlantic coast, and it is urgent that the improvement asked for be undertaken without further delay.

The survey now under way by the public works department to provide shelter for the 50-odd fishing boats at Pigeon Hill should also be given priority. The fishermen concerned are awaiting with anxiety the announcement of the department's decision in this regard. The Minister of Public Works must be aware that the construction of public buildings must not necessarily get top priority on his advanced list of projects. The construction of a wharf or improvement of a harbour will not only provide work in the

construction period but will provide additional facilities to expand such industries as fishing, shipping and others.

In my constituency we have a difficult problem with regard to the improvement of Tracadie harbour. This is a matter which should also receive top priority on the list of advanced planning projects to be undertaken by the department. Improved harbour conditions at Tracadie would provide facilities leading to the establishment of a substantial fishing industry so urgently needed in Tracadie and adjoining communities.

On May 19 last, Mr. Speaker, while speaking on the address in reply to the speech from the throne, I brought to the attention of the Minister of National Revenue and the board of governors of the Canadian Broadcasting Corporation the plea of over a quarter of a million of our population in northern New Brunswick and the Gaspe peninsula who are deprived of practically any television reception or service. Eight months have gone by and our people are no better off today, no further ahead than they were in May of last year. I understand that permission has been granted for the establishment of a privately owned television station at New Carlisle which would serve part of the area concerned with programs 35 per cent in English and 65 per cent in French. This station was supposed to be in operation in August, 1958, but due to unforeseen difficulties it was announced that its operation would be delayed to a later date last fall. A further delay has since taken place, and we are now told that we will have to wait until the fall of 1959 before the inauguration of this television service.

Very little has been accomplished so far toward the realization of this project, and our entire population is showing its dissatisfaction. The proposed service, consisting of 35 per cent English and 65 per cent French programs, will not be satisfactory to our population. Such a service has been tried elsewhere. It has been tried right here in Ottawa and has proven most impractical and unsatisfactory. What our population want—I said it last year and I repeat it—are the same service and the same privileges which are offered today to other populated areas of Canada.

Attempts have been made to misinform our population by telling them that it is impossible for the C.B.C. to extend to our area the service or the facilities of the English television network, for the only reason that the nearest television station at Moncton is privately owned. This is not altogether so, Mr. Speaker, and the people of Gloucester county and northeastern New Brunswick should be made aware of the true facts in this regard. It is true that the Moncton station is a privately owned station, but this does not prevent the C.B.C. from establishing relay stations or microwave towers which could be attached to the English network passing through Edmundston and then extending to Moncton, Halifax and Sydney.

The people of Gloucester county and of northern New Brunswick are Canadian taxpayers who are contributing their share for the operation of the Canadian Broadcasting Corporation. Our people have a right to enjoy and to share with their fellow Canadians in their own living rooms a community of interest, and to participate in events of national importance. Why should such a concentration of population be prevented from enjoying on television such instantaneous visual communications as the opening of the Canadian parliament or the important events of Her Majesty's visit to Canada next summer?

All across Canada microwave towers are going up. The Rocky mountains have been spanned and a link has been completed with Canada's newest province, Newfoundland. Yet the residents of Gloucester county, as well as other residents of a largely populated area in northern New Brunswick and the Gaspe coast, are still deprived of participation in the national television system. Again I want to emphasize that the proposed station at New Carlisle, if it ever materializes, will not be satisfactory to a large proportion of our population. It will not be satisfactory to the 12,000 residents of the Bathurst area and to other communities in my constituency and adjoining counties.

It could be difficult to give adequate service to certain remote areas because of excessive costs, but anyone familiar with the present television networks will soon realize that the connections extending through Edmundston and Moncton could easily and reasonably be extended to cover Campbellton in Restigouche and Bathurst in Gloucester county. Such a service is justified by the large concentration of population it would cover, and more so by the absence of technological difficulties which have been encountered in other sections of the country.

We hear these days of meetings in the prairie provinces to organize a march on Ottawa by the western grain producers, fighting for deficiency payments on wheat. If we have a wheat cry in the west, we also have a cry for television service in northeastern New Brunswick. Our people are alarmed. Petitions have been circulated, letters have been sent to the minister and to the C.B.C., and what we want now is something better than consideration or study. We want action, and we want action now. I sincerely hope that the Minister of National

Revenue, who has done so well in this particular field for his own communities in Nova Scotia, will without further hesitation transmit to the C.B.C. with his recommendation the plea of the dissatisfied population of northern New Brunswick. Yes, Mr. Speaker, I sincerely hope that on January 1, 1960, next New Year's day, my constituents will have the opportunity to hear and share with their fellow Canadians through their television sets the New Year's message of our Prime Minister.

Mr. Pallett: And for many years to come.

Mr. Robichaud: Well, they have to hear it next year because if we wait too long they will not be in a position to hear it at all. When well over 85 per cent of the Canadian population is within reach of good television service, and when over 75 per cent of Canadian households have acquired television sets, it does not seem fair that we in Gloucester county and northern New Brunswick should be prevented from sharing in what has been called the most rapid development of television service in any country in the world.

The time allotted to me will not allow me to discuss freely in the course of the present debate a matter of major importance to most of the fishing communities in the maritimes. It has to do with the serious situation developing in the administration of lobster fishery regulations in the maritime provinces, and particularly in New Brunswick and Prince Edward Island. I take no exception to the decision of the minister and the department to prosecute, to use the minister's own words, "as vigorously as the law requires" anyone catching or canning lobster illegally. The minister is threatening poachers with stiff penalties, and most unfortunate incidents could follow unless his department at once, without delay, takes a different view of this most serious problem.

Since my first speech in the house I have at every session urged the department to alter its policy toward illegal lobster fishing.

I have repeated again and again that more good could be accomplished by a fishery officer by a friendly chat with the fishermen at the end of a wharf or even at the corner store than by determination to play this game of "hide and seek" in order to catch a fisherman committing the offence of illegal fishing. I am again warning the Minister of Fisheries that the only means of curbing this illegal practice is through education. If the minister would divert less than 10 per cent of his department's estimates for the protection branch alone, and use it towards the education of the fishermen, I can assure him that his problem would be solved in a very short period. If the minister would divert 1 per cent of the protection branch estimate toward the education of the lobster fishermen alone, his problem would be solved. Otherwise if he insists on this rough and tough practice I warn him again that he is looking for more trouble. This Cuban method cannot be allowed in this country, and unless a drastic and effective system of education is introduced at once the minister and his department will be held responsible for the consequences. I will be back on this subject at a later date.

From recent reports which have reached us the coal industry in the maritimes and particularly in Nova Scotia is suffering a depression as serious as the one which it had to face in the spring and summer of last year. Here again we find that the government shows uncertainty and inconsistency in dealing with the problem. On Friday last, as reported on page 11 of *Hansard*, I asked the Minister of Mines and Technical Surveys the following very simple question:

> My question is based on a news dispatch in today's Montreal *Gazette* announcing the intended closing on February 1 of five collieries affecting 4,000 men—

Mr. Speaker: Order. I think I recall the hon. member reading that earlier today. Could he not trust the memory of the house, without repeating the whole quotation?

Mr. Robichaud: I will endeavour to respect your views, Mr. Speaker.

The minister clearly stated at that time that he did not receive any notice from the Dosco company with regard to a cutdown in production or a staff reduction. When, with a telegram in my hand, I asked the minister a second question—whether any protest or representations had been made by local unions of the united mineworkers of America, I received an altogether different reply. Hon. members may recall that in his answer, as printed on page 12 of *Hansard*, the minister said:

> Their representatives came and met with us some time ago. They did make representations, and I must add that the matter is now under consideration and that we propose to come to a decision in regard to this in the near future.

What a contradiction in the two replies of the minister. At first, he declared he had no knowledge of the situation. A few moments later he told us that representations along that line and in connection with other matters were made to the government by the Dosco company. The company's representatives, he said, had met with the government some time ago. At first, he had no knowledge of the matter; next, that they had made

representations and the matter was under consideration. What a contradiction. It is a confusion which is typical of the government's actions today.

If we go back to the coal debate which took place on July 1 of last year we find that we were told by the Minister of National Revenue (Mr. Nowlan), as reported on page 1801 of *Hansard* of July 1, 1958, that orders were on hand for 4,600,000 tons of coal and that following the five or six weeks shutdown contemplated at that time the crisis in the coal industry would be over. The Minister of Mines and Technical Surveys stated at that time that orders were on hand for the entire stockpile and that the company was only waiting transportation. Six months later we are meeting the same situation, a situation which is extremely unsatisfactory to the 9,000 or 10,000 coal miners of the maritime provinces.

Something is just not right in the coal industry, and I challenge the government to take the matter in hand and take action at once to remedy the situation. It does not seem logical that with a stockpile of 1,200,000 tons of coal in Cape Breton there should have been this winter such a shortage of domestic coal in the maritime provinces. It does not seem logical that, under such circumstances American coal should have been imported into Moncton and other centres of New Brunswick. In my own constituency of Gloucester there were shortages of domestic coal in December and early January. This does not seem fair to the coal miners who are being laid off in Nova Scotia, and to the miners of the Minto coal fields in New Brunswick, who were cut down to two or three days of work per week in the last four of five months.

Are the coal companies really making an effort to sell coal as they should do? Action by the government should be taken now before the lay-off of February 1 takes place. It is the responsibility of the government to get the true facts, to get a true picture of the situation in order to give adequate protection to the miners concerned and to make factual reports to parliament and to the country.

Unfortunately I do not have time this afternoon to discuss this matter in as full detail as I should like to do. It is the responsibility of the government to cope with the situation even if this means granting an additional subsidy to the industry. If our miners are allowed to work, the additional expenditure involved would be repaid time and time again by its benefits to the Canadian economy. Otherwise there will again be a merciless curtailment of employment in the coal fields and it is the duty of the government to prevent such a curtailment and such contemplated lay-offs. It is also the responsibility of the government to find ways and means of coping with the situation. They have accepted the responsibility of power, and on them lies the responsibility of action.

There are other matters to which I should like to call the attention of the government, but further occasions and opportunities will be offered to us in the course of the present session. The question of freight rates is vital to the economy of the Atlantic provinces and we will have an opportunity to deal thoroughly with this problem at a later date. The people of the Atlantic provinces are aware that the pledges made by the 32 Tory candidates prior to the election have, to a major extent, been ignored. What about such pledges as those in connection with defence contract expenditures in the Atlantic provinces; the establishment of crown corporations in the Atlantic provinces; and special fiscal considerations to encourage the establishment of industries in the Atlantic provinces? I ask hon. gentlemen opposite how much money has been spent by the federal government out of items which have been included for the last two years in the estimates of the Minister of Northern Affairs and National Resources for the construction of the East Saint John thermal plant. Not yet a single penny, I am informed.

These are matters which we intend to bring to the attention of the house and of the country during the course of this session of parliament and for which the government will be asked to answer.

Mr. A. D. McPhillips (Victoria, B.C.): Mr. Speaker, at the outset of my remarks I should like to express my congratulations to the mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address. I should like to say to the hon. member for Provencher—and I say this as a member who does not represent a rural or agricultural constituency—that I found his speech on agriculture made more sense to me than any other speech on this subject I have heard in this chamber.

To the seconder, the hon. member for Montmagny-L'Islet, may I say that the charm of the delivery of his broadly humanitarian speech reminded me of certain occasions in my extreme youth when I had the great pleasure of hearing political speakers from the province of Quebec when they were in my part of the country. They were Liberals, it is true, but they were big shots or big leaguers. Today that party only seems capable of producing bee-bees.

If I may be permitted to do so I should also like at the outset of my remarks to say to you, Mr. Speaker, how glad I am that you occupy the chair of this house.

I wish to to speak briefly today about the province of British Columbia, the Pacific province, and I refer to it as such for this reason. In Canada there is sometimes a little confusion caused by the broad term "the western provinces" or "the west". I think I am correct, both according to history and tradition, when I say that in Canada when the west has been spoken of, or even earlier when reference was made to the great northwest, the meaning intended was that area which now comprises the prairie provinces. British Columbia is the Pacific province. I would like to explode for all time any remnants that may exist in the minds of anyone of the myth about there being a barrier between British Columbia and the rest of Canada because of the Rocky mountains. I have even had people ask me what sort of people lived west of the Rocky mountains. I have been asked, "Are the people there more like Americans?" That kind of thinking has resulted from the old myth about the mountains being a barrier.

All Canadians, including the people of British Columbia, are proud of our national motto that Canada is a nation from sea to sea. We love the words of the poet that are engraved in stone above the door of the main entrance of this building in which this chamber is housed. I refer to the words of the poet:

> The wholesome sea is at her gates, her gates both east and west.

I wish to deal for a little time with the western gate of Canada. On that day in 1867 when British North America became the Dominion of Canada those words of the poet would not have been applicable because a barrier did exist as a result of the Rocky mountains. West of the mountains lay the crown colony of British Columbia which had recently fused with the colony of Vancouver island in 1866. Following confederation in 1867 the legislature of the crown colony of British Columbia took up an important debate. I was taught in school that the question in issue in this debate was whether or not they would remain a crown colony or join Canada. When I grew older and became a law student I had the opportunity of reading the verbatim record of those debates. To my amazement and somewhat to my horror I learned that although these venerable old gentlemen did discuss the question of joining Canada they also discussed whether or not British Columbia would join the United States in preference to joining Canada. Thank goodness the result has been what it was. British Columbia did join confederation in 1871. The Rocky mountains ceased to be any sort of barrier and the province became the greatest junction in the nation.

I shall not deal in detail with all the terms of union but under one of those terms the transcontinental railway was built under the vision of Sir John A. Macdonald and Canada became a nation extending from sea to sea with a national railway transportation system.

I should like to read from a recent article by Gus Sivertz which appeared in the good old Liberal Victoria *Times* in November 1958. Dealing with a statement made by a highly distinguished visitor to that area he said:

> But for this momentous decision on the part of British Columbia to remain British, and to unite with the almost unkown Canadians far away to the east . . . the Canadian nation of today would have been impossible, even unthinkable!"

The province expanded and under the policies of Sir John A. Macdonald which had nation-wide application it prospered in those early days. He had great regard for the west coast and its importance. In fact at one time he was a candidate in the riding which I now have the honour to represent. I have in my hand a statement taken from the Victoria *Colonist* of October 22, 1878. This paper is the oldest continuously published daily newspaper on the entire Pacific coast and celebrated its hundredth anniversary on December 11. On that date it had published a newspaper every day for a hundred years which is probably a record for more than the Pacific coast. The article to which I referred is entitled, "City Elects John A." and as I said it is dated October 22, 1878. It reads as follows:

> The election of representatives for the House of Commons for Victoria district took place yesterday and resulted in the return of Sir John A. Macdonald at the head of the poll—and also the election of Mr. Amor de Cosmos.
>
> Shortly after the result of the election was declared a number of persons congregated at the corner of Government and Yates, where a cord of wood was deposited and ignited.

Of course, the Liberal government came into office in Canada in 1896.

Mr. Winch: What about 1958?

Mr. McPhillips: I shall deal with 1958 later. At the moment I am referring to 1896 at which time the Liberal government came into office and the Pacific province was assigned a back seat in the affairs of the nation because that particular party had not been very interested in British Columbia and its inception, confederation or anything else. However, we were lucky in that we had a

strong provincial administration under a gentleman who was later to become Sir Richard McBride and that Conservative government came into power in 1903 and remained in office until 1916. He was probably the greatest premier British Columbia ever had and so the province progressed internally.

In 1911 the Conservative government of Sir Robert Borden came into power and British Columbia came into its own again. Great improvements were made in the harbours of Vancouver and Victoria among other things and I shall deal later with these harbours and particularly that of Victoria. After careful consideration the Borden government decided to enlarge the outer harbour of Victoria to approximately three times its size. They built two magnificent ocean docks at Ogden Point and a large sum of money was expended for this purpose. That government also built a breakwater to protect the docks on the side from which the worst storms arose. Another breakwater was promised but unfortunately world war I came along and as we know that war brought in its wake a period of depression and nothing further could be done during those years.

In the harbour of Vancouver the Borden government built the great Ballantyne pier, which was recognized at that time to be the finest ocean pier in the entire world, and the first foundation upon which the great grain elevators in Vancouver were constructed, with the result that the golden harvest of the prairies could come to the west for the first time and find a storage place.

A little later, after the first world war, we were lucky in having as the federal representative from Victoria, Dr. Simon Fraser Tolmie, who afterwards became the premier of the province. Toward the end he was the minister of agriculture in the Borden administration and he was also in the Meighen government. Dr. Tolmie decided that the promise of the Borden government of those outer harbour installations in Victoria would be implemented. He had another idea also, namely, that the west coast of Canada should have the biggest drydock in the world. The government could not afford both and he was given his choice. Very wisely he chose the drydock, and that drydock was built as a Conservative project. It was the biggest drydock in the world at that time and it is still one of the biggest. It has brought great prestige to Canada as a maritime nation; it has brought millions of dollars worth of work to the west coast and it has been responsible for millions of dollars in wages to Canadian workmen.

Incidentally, it is remembered by many people that during the last war, after Singapore had gone to glory, it was the only other drydock on the Pacific ocean that could handle the great ship the *Queen Elizabeth*, the largest vessel in the entire world. This great ship had to come all the way into the north Pacific to reach our drydock on the west coast, which providentially was there. It handled that vessel, although the superintendent told me that when she was in the dock there were only six inches to spare on either side and 10 feet forward and 10 feet aft. The Canadian shipwrights and artisans clambered on board and they converted that great ship from a luxury passenger liner to a troop and ammunition ship. On her first trip as a troopship she actually carried 10,000 troops to the south Pacific in connection with the war with Japan.

Then the government of Mr. William Lyon Mackenzie King came into power, and again the Pacific province received a body blow. Mr. King and his Liberals were not interested in continuing the project of the Borden government, oh, no! The outer harbour of Victoria remained without its second breakwater, the Macaulay point breakwater. I suggest to this government that the time has come for the promise to be fulfilled and for the outer harbour of Victoria to receive the extra protection of the Macaulay point breakwater so as to render the harbour perfectly safe for the big vessels which come in there and encourage more vessels to come in because, believe me, Mr. Speaker, some of the pilots are in quite a nervous state when they have large vessels under control. They have to go so slowly that they almost lose steerage way. If there is a slop from the southwest it is a mighty tricky business.

I wish to say something with regard to the docks themselves. What did the Mackenzie King government do? They took them out of the management of the Department of Public Works in 1923 and gave them over to the Canadian National Railways. Ever since then the Canadian National Railways have allowed them to deteriorate and now the sheds, along with those magnificient ocean docks, are in a state of dilapidation as a result of the maladministration by the Canadian National Railways.

While I am on this subject, Mr. Speaker, I should like to say this. It is not entirely related but it has to do more with the management of this great company. What about the great Queen Elizabeth hotel in the city of Montreal which cost the people of Canada over $27 million; not the city of Montreal or the province of Quebec but the Canadian people? What do we find? I think

the Canadian people are generous enough and sporting enough to pay for that hotel and have it receive the benefit of being part of a chain of railway hotels across this country such as the Chateau Frontenac in Quebec city, the Chateau Laurier in Ottawa, the Macdonald in Edmonton and, of course, that gem, the Chateau Lake Louise in the rocky mountains. I am sure the Canadian people would have been happy if that great hotel had received the name of an early and great Canadian. That hotel should have been called the Chateau Maisonneuve. But the name it received, Mr. Speaker, was not chosen; it was dictated. What did we find when the cat came out of the bag? Yes, the big tom cat came out of the bag. We found that this $27 million gem of hotel construction, which was built by the people of Canada, was given away by the management of the C.N.R. and made an integral part of the hotel empire of Conrad Hilton. This is another illustration of the way the Canadian National Railways operate. I will have a little more to say on this point when I reach it.

They tell me that Conrad Hilton is looking for a hotel site in the city of Vancouver. I suppose he is looking for a group of people of the type that Barnum said was born every minute, but I do not think, Mr. Speaker, that with the present administration in office we need to worry that the Canadian National Railways are going to pull that stunt again through Conrad Hilton.

Actually, this is not what I rose to say. I wanted to deal with another phase of the facilities in the port of Victoria. I now refer to the inner harbour. At one time there was a very fine dock in our harbour of Victoria, a government dock built first by the Grand Trunk Pacific railway and then taken over, of course, by the Canadian National Railways. Those wharves were right downtown because our harbour is in the heart of the city. The Canadian Pacific railway docks were on one side and the Canadian National Railways on the other. The Canadian National Railways did not run so many ships, with the result that ferries and other vessels coming from Seattle or Port Angelus could dock at the Canadian National Railways. The Canadian Pacific railway did not want them at their docks. They could dock at the Canadian National Railways for a nominal and proper dockage fee.

What happened? In 1947 a change took place, and a sand, gravel and cement company brought their cement mixers and machinery on to this dock site and the business people of Victoria believed that the Canadian National Railways had leased out those docks. But that was not the case, because it developed that the Canadian National Railways had sold that asset of the Canadian people in the inner harbour of the port of Victoria. Now, of course, it is no longer available to other vessels, and it is a very awkward matter for the transportation system in to that port. Because we had a government-owned dock all those years we should still have it. I ask the present government to replace that dock and that we have facilities again where ships can come and pay reasonable dockage charges.

But this is only part of the story. This is the part that I really want to draw attention to, Mr. Speaker. We have never been able to find out how much money the Canadian National got for these docks because this big pooh-bah down in Montreal says he will not tell anybody. He sold an asset of the Canadian people, but he will not say how much he got for it. The first session I was here I put a question on the order paper and got an answer. They said the date of sale was 1947, and that it was sold to Evans, Coleman & Johnson Brothers. However, the answer I really wanted does not appear. I was told it is not the policy of this company to give this sort of information.

Mr. Winch: Ask the minister. He is a member of your own party.

Mr. McPhillips: I know who I am going to ask. I am going to ask that fellow I mentioned before by description when he comes down to the committee, and I shall wring the answer out of him, do not worry.

The amazing thing is that in 1947 the city of Victoria was represented by a cabinet minister in the Liberal administration, and an important one, too. He was such a palace favourite that he afterwards became ambassador to Japan. Apparently he could not obtain this information, or would not. In any event, such entities as the chamber of commerce of Victoria and so forth still do not know how much was paid for these wharves. In any event, we shall find that out. In the meantime, I should like to urge this government to replace them because they never should have been sold and the port of Victoria is suffering because they were.

There are some people who will say, after all, the port of Victoria is not one of the great ports of Canada. I am just going to give you some figures on that aspect of the matter. It is not as important, of course, as the port of Vancouver or Montreal, but I have here a clipping from the Victoria *Colonist* of December 31, 1958 containing a statement by the harbour master of the port of Victoria. Incidentally, Mr. Speaker, this is a good answer or one of the many good answers to those dispensers of gloom yesterday in regard to the economy of Canada.

This is the heading: "One of Our Best Years: 301 Deep-Sea Ships Use Docks in 1958". The article reads:

> Victoria's outer wharf is drawing to the close of one of its best-ever years for deep-sea traffic—and there is no reason why 1959 can't be that much better.
>
> Capt. Ronald Newell, harbour master, said yesterday that by midnight tonight 301 deep-sea ships would have used the outer docks, discharging and taking on cargo.

The vessels that come to the port of Victoria are all big ones. They are about 10,000 tons or over, so simple multiplication shows that we had about 3 million tons of shipping, which is about one-half of the amount for Vancouver. The large ports on the Pacific coast are Vancouver, Seattle and San Francisco. Vancouver reported about 6 million, Seattle about 11 million and San Francisco was up around 42 million; that is a lot of shipping.

The article goes on to say:

> Incoming ships bring a great variety of goods for use and consumption in Victoria.
>
> These include cars direct from the old country; liquor and wine from Britain and from 'down under'; Japanese oranges from the Orient; quantities of naval supplies; many food items from Britain and the United States; meat and wool from Australia and New Zealand; steel for the shipyards.
>
> The deep-sea vessels leave Victoria heavily laden with lumber and grain. Exact figures for shipments of these exports were not available yesterday, but grain exports were substantially up from 1957 and lumber shipments almost 25 per cent above the previous year's total.
>
> All this activity was achieved despite a five-week longshoremen's strike which idled the docks for that period.

There again we have a contradiction of the kind of gloom that was dispensed here yesterday by the Leader of the Opposition (Mr. Pearson). Incidentally, when he undertook to say that there were dirty dishes in the governmental sink, I should like to inform him that that is not so. However, when this government took office there were dirty dishes in the sink, and furthermore there was no soap.

Mr. Denis: You did not wash them. They are still dirty, if they were at that time.

Mr. McPhillips: I should like now to deal with another question entirely, and to make another recommendation to the government. Because of the beauty of the southern tip of Vancouver island, and because of the salubrious climate which makes it unnecessary to buy much fuel to keep warm in winter, this area is a haven for retired people. I have many of them in my riding who are living on pensions. The question with which I am going to deal now is the payment of the old age pension outside of Canada. I cannot see any reason whatever, particularly since the pension is on a contributory basis now and has been for some years, why Canada should not pay the pension outside of this country if the pensioner desires it.

We have the best of precedents for that course. This action has been taken by Great Britain, by the United States of America, by Australia and by New Zealand. This is only a humanitarian proposition. There would be only a very few such pensioners and there would only be a trickle of dollars going outside the country when compared to the total amount paid. I have so often seen this rule work hardship. You may have an old couple who have lived their lives in this country, been good citizens, paid their taxes, and then when they are old they find their family has been dispersed. The only people in the world whom they have may be a brother or a sister in Scotland, England or France and these pensioners cannot go there. I think this is entirely wrong, and I recommend to the government that the act be amended accordingly.

I would not be dealing with Pacific problems properly if I did not say something about the activities of our premier, this sawdust Caesar who struts around the province of British Columbia like a barnyard rooster talking about the expenditure of millions and millions of dollars. We have a very serious situation there now, and that is the great giveaway to the Wenner-Gren interests in respect to the power on the Peace river. He may have fooled some, but he did not fool me with all this talk about mineral claims, and this and that. No, it was the Peace river water power that they wanted. Now, he says, we have not given away anything; I have not given away a teaspoonful of water—not yet. What he has done is this. He has put a reserve on that water and that land and only allowed this outfit to go in and make surveys.

You know what is going to happen when the surveys are completed and they want to use it. No one else will be able to get it because this organization has it under reserve. There is just one hope for stopping this terrible giveaway, this terrible steal in the province of British Columbia, and that is action by the parliament of Canada. The Peace river crosses the provincial boundary and flows into Alberta. This fact gives us a toehold to stop him; under existing legislation we have something to say about it. I have every confidence that my government will take the proper steps in that connection.

I have requested certain things for British Columbia. I came here as a Canadian first, a British Columbian second, and a Victorian third. But the things I have pressed for are

Canadian. The most westerly port of Canada must be a proper port in every respect. The west coast of Canada is every bit as important as is the east coast. I should like to suggest to this government that they might take a little bit longer look at the western Arctic. There is plenty being done in connection with the eastern Arctic. However, the western Arctic happens to be a great deal closer to the U.S.S.R. than is the Atlantic Arctic. I deprecate it when I hear Canadians indulging in such phrases as "When Russia attacks", "If we have a war with Russia", and "If and when Russia attacks". I do not believe in that sort of thing. I think it is war mongering. It is not good. Nevertheless, let us be realistic. There are places on the Bering strait where you could almost come across from the U.S.S.R. in a rowboat as the area is so narrow. I would commend to the government that more attention be paid to the western Arctic in all respects.

I have just about exhausted my time. I find it most edifying to be here and to be a supporter of this government. My support of the right hon. gentleman who occupies the chair of the Prime Minister in this chamber goes back a long way. I was just looking at the smiling face of the hon. member for Rosedale (Mr. Walker) this morning and remembering the time when, away back in 1942, he and I were two on the team—a very small team it was; a corporal's guard you might say—and we supported that gentleman in his first run for the leadership of the party in Winnipeg in 1942. Our horse did not win but we ran again. We were back in Ottawa in 1948. But then we had a general in charge in the person of the Minister of National Defence (Mr. Pearkes). We lost again.

In those conflicts that group was obliged to take a certain amount of laughter from some of the big wheels in the party and the odd sneer and jeer. One does not like that sort of thing. I do not like to be laughed at. I do not know whether or not some people like it. However, there is an old saying that he who laughs last, laughs best. When the objective was accomplished years later I must say that I did not feel like laughing. Rather I felt edified. I felt that we had accomplished the thing that Canada needed.

As I said before, we are here as Canadians first. If I do not get for my port these things from the Minister of Public Works, at least I will feel that as a Canadian, over those years I have mentioned, I have been in some small but persistent part responsible for placing at the Prime Minister's desk in this chamber the greatest Canadian of all time.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, after listening to the remarks of the hon. member for Victoria, B.C. (Mr. McPhillips) I may say at the outset that at one time many long years ago—I believe it was 21 years ago now—I also thought that the hon. member for Prince Albert had considerable ability as a leader and that some day he ought to go far. I must say that it was about 21 years ago that I changed my mind about the abilities of that man to occupy the post of Prime Minister of Canada. I am hoping that the day will yet arrive when the people of Victoria will have a representative who will come to the same conclusion as that to which I came away back in 1938.

I am sure that the people of Victoria who were unemployed last December 31—and there were 4,981 of them, according to the figures of the Minister of Labour (Mr. Starr) —do not have very much to do. They will therefore, without a doubt, take a great deal of pleasure in reading the remarks their member has just made on their behalf in this House of Commons. He reviewed for them some of the history of the province of British Columbia. He castigated the activities of the Mackenzie King government. He complained about the management of the C.N.R. in regard to the new hotel in the city of Montreal. He complained of the rate of fees that ships are obliged to pay when they come to Victoria. I am sure they will somehow be a little bit more brilliant than am I and that they will be able to see how that will help supply them with employment so that they might meet their grocery bills at the end of this month.

Like millions of other Canadians, now that we have returned to what may be called a normal session of parliament, I had expected to see a sincere effort on the part of the government of Canada to meet the needs of the nation. I must express my great disappointment at the absence of progressive, forward looking and aggressive measures in the speech from the throne. I fail to find them. The needs of the people of Canada are great. There is an area of uncertainty that obtains in all walks of life. The millionaire is almost as worried as are the unemployed. Most of us Canadians were looking to this session for some measures to be undertaken that would assure a little bit of stability to the Canadian economy.

Mr. Speaker, opposition members are often misunderstood both by members who support the government and by the electorate at large. We have in this House of Commons a responsibility that members on the government side may not have. There are eight

of us in this group compared with 208 on the government side. There are all kinds of members of parliament whose responsibility, without a doubt, is to tell the people of Canada what wonderful things the government has in mind for them. It is our responsibility to tell the people of Canada of the failings and the shortcomings of the government of Canada. One thing that we intend to do not only this year but in the years to come is to keep on reminding this government of the promises they made in order to obtain the confidence of the Canadian electorate. I think members of this house must agree that that is one of the responsibilities of the opposition.

I am not one who will fail to acknowledge that many good things have been done by this government as well as by former governments. This is my government exactly as it is the government of every other Canadian, and I accept it as such. However, Mr. Speaker, I am not willing to lose my speech in my efforts to become bilingual or to wrap myself in the old flag or some version of a new flag or to have my mind taken away from the needs of the day by some northern mirage or vision. I believe there are urgent problems facing the Canadian people at this time, problems that should be met at a normal session of parliament when political considerations ought to recede into the background. These urgent national problems are not being met by what is contained in the speech from the throne that has been presented to us.

I should like to go a little further afield than our national problems for a moment, Mr. Speaker, because yesterday the Prime Minister (Mr. Diefenbaker) did so. Yesterday my house leader listed the urgent national problems. However, I want to say that we in the western world are facing a decision that we must make. Unless we are willing to plan our own economy and integrate it with the economies of all the other nations of the western or so-called free world we cannot hope to survive in the battle to which the Prime Minister referred yesterday. The well organized, well planned, well integrated nation to nation plan of the communist world is going to win the cold war unless the western world wakes up and decides that we can no longer carry on under the economic anarchy that many of us choose to call free enterprise. We must tighten our belts and buckle on our armour. We must convince the world that people under liberty, freedom and democracy are able to do more than people under a totalitarian regime. We pay a ridiculous lip service to a free enterprise that has long ago ceased to exist, that is nothing but a wonderful name for economic anarchy which is going to lead us as a nation to a state of chaos and which will lead the western world into losing the battle against the more highly organized and more ruthless totalitarian regime that exists in the world today.

Most of the western world realizes the necessity for taking action. Look at what the nations of western Europe are now doing in forming a common market. But we in Canada and our friends south of the border, and I regret to say that latterly we have made efforts to pull the people of the United Kingdom down with us, think that we can afford the luxury of letting every interest within our borders carry on in its own merry, sweet and selfish way without regard to the effect on our whole way of life and on our society. At this time I should like to read a few words of warning, as found in the Toronto *Telegram* of August 23 last, that were sounded by Cardinal McGuigan of the city of Toronto when he said:

> Perhaps one of the most widely known of all forms of this un-Christian political theory is economic nationalism which often results in waves of propaganda piling up a spirit of insularity, of national hyperconsciousness, of antagonism toward neighbour nations, and excessive tariffs—

I hope the Minister of Trade and Commerce (Mr. Churchill) is listening. I continue:

> —embargoes and exchange restrictions backing up in practical form a buy-at-home advertising barrage.

I hope the Canadian Chamber of Commerce is listening. I continue:

> Once this tendency to build up nationalism and restrict world trade develops, we note the inevitable consequences of aggression (or defence) for economic reasons and increased poverty and unemployment.

I hope that the people responsible for the government of Canada will think over very carefully the warning sounded by the cardinal in that article. Before I left home we had what we call a legislators' advisory conference. There were other conferences held, and from the hundreds of representations recently made to me I find that our problems are very much the same as when I first entered the House of Commons five years ago, the only difference being that some of them are more acute today than they were at that time. These problems have not been met. One of the favourite reasons put forward by former governments and the present government for not meeting these problems is that we have to spend so much of government revenue to defend ourselves against possible communist aggression.

I have with me a photograph which appeared in the Vancouver *Sun* on Wednesday, December 17 last. It shows a man sleeping

on a parking lot. For a mattress he has newspapers and for a blanket he has more newspapers. I think it is about time that we took another look at our so-called defence expenditures which now total $1,700 million a year because not attending to the needs of this unemployed man, not attending to the needs of many others like him in Canada, will do more to bring communism than anything the master minds in the kremlin may devise.

I wish to return to the election pledges of the government. I know that they have kept some and may keep others. We are told that some form of crop insurance and a roads to resources program can be expected. We are told that we can expect some action to alleviate discrimination in freight rates and that we can expect more farm credit legislation. I have also noticed in the newspapers that the city of Prince Albert can expect the government to share the cost of a new bridge across the river. I should like to sound a note of warning to the government. I am very happy to read that the government is prepared to share the cost of a bridge in the city of Prince Albert but may I ask this question? Is it a navigable river or will the bridge join two provinces? If the city of Prince Albert is entitled to this, then people in many other parts of Canada have an equal right to ask the government to share the cost of a bridge that may be necessary in their own area.

I have before me a book of election promises of the Prime Minister, other ministers of the cabinet and supporters of the Conservative party. I am only going to refer to the election pledges in the 1958 campaign, although I have with me a much heavier volume containing the election pledges of the 1957 campaign. However, the 1958 book says, among other things, that all the pledges given in 1957 are valid and will be honoured. I have not bothered to look through *Hansard* in order to refer to all the other promises made on the floor of the house in the past five or six years. However, I believe that the people of Canada have a right to expect the government to show that it takes something more than simply a Machiavelian approach to its election promises and that the government should supply some signs that it intends to honour its election pledges. I am sure if the hon. member for Greenwood (Mr. Macdonnell) or the hon. member for York East (Mr. McGregor), or the hon. member for Dufferin-Simcoe (Mr. Rowe) had been leading the Conservative party, 10 per cent of those pledges would have been more than adequate for them and for their sense of responsibility; but we had such a vast array that it is not surprising that from the 1958 campaign I was able to find over half a hundred election promises which so far I have seen no attempt to meet.

First of all, agriculture was assured that floor prices would bear a fair relationship to the cost of production. The pulpwood farmers were assured that pulpwood would be given a floor price; potato farmers were assured that their commodity would be given a floor price; and farmers as a whole were assured that no Canadian farmer would be allowed to suffer because of the dumping of agricultural products by the United States. Those who think there is too much spread between the price the farmer receives and the price the consumer has to pay were assured—and I am using the words given in the paper—that this "layer of fat" would be trimmed so that the farmer would receive more. Western farmers were assured that the making of deficiency payments would receive some consideration, unless our newspapers are wrong. The Montreal *Star* of March 17 reported a meeting held in Moose Jaw, Saskatchewan on March 15 and the quotation is ascribed to the Prime Minister. The Prime Minister now says he never gave this assurance; we have to take his word for it, and I do. However, many farmers were under the impression that deficiency payments would receive serious consideration.

I should like to refer now to the vision and to other election pledges which have not been kept and with regard to which there is very little sign that they will ever be kept. There was the promise of an Arctic research program and the development of Arctic sea routes; we were promised that there would be increased self government for the Northwest Territories; it was said we had to speed up development of our Arctic resources because by 1988 Canada's population would reach between 40 and 50 millions. Judging by the way in which the minister has slammed the door on immigration these days I do not think our population will be anywhere near 40 or 50 million people by that date.

We were assured that access roads to the north would be built and that the government would provide $15 million to the provinces towards this end. A railroad was to be built into the north; a road program for the Yukon and the Northwest Territories was going to cost $100 million and, in addition, a federal-provincial cost-sharing program of access roads would, in the words of one minister, cost $75 million—in fact, he got so excited he said it might even be $150 million.

The Minister of Northern Affairs and National Resources (Mr. Hamilton) predicted that the program of road building in northern Canada would mean employment for hundreds of thousands of Canadians. The retired employees of Canadian railroads were assured that their demands for pension increases would receive full consideration. We were assured that one of the first acts in the session of the twenty-fourth parliament would be to abolish the rule of closure in Commons debates. We in the province of British Columbia were assured that there would be a joint investment program or other sound financial assistance in the development of Columbia river power. Nothing has been heard of that. Of course, we could not expect anything very definite in March because we were told that no basis of finality could be arrived at until the month of October. October has come and gone and we still have not heard of any basis of finality.

The co-operative movement was assured that the Conservative party would encourage it in every way. Mr. Speaker, I know that movement so well that I can safely say that this government has done absolutely nothing in regard to this particular election promise. We were assured that the leader of the government had very much in mind a second trans-Canada highway. At a later meeting he became a little more excited and added the words "at the earliest possible date". However, the Minister of Public Works (Mr. Green) told us in effect during the last session that we would not be getting any second trans-Canada highway until we had finished the first one and, as he well knows, one of the provinces of Canada has not even begun the first one yet, so the rest of Canada is going to be held up once more in the development of a necessary project because other parts of Canada are slow.

The textile workers were assured that no industry would be subject to the ill effects of dumping. Fruit and vegetable growers were assured that they, too, would be protected against dumping and against the importation of earlier ripening vegetables and fruit. We were told the Canada Elections Act would be amended to reduce the time allowed for election campaigns; we were told that advance poll provisions would be widened so that more than three classifications of citizens could take advantage of the advance poll; we were assured that Canada would assert her sovereignty over her northern territories. Absolutely nothing has been done. A lot of violent anti-American feeling has been aroused, it is true, but no single action has been taken to assure Canadian sovereignty over her northern territories. Indeed, if anything has been done, the signing of the NORAD agreement has robbed us of some of our sovereignty over our northern territories.

We were assured that by processing in Canada to the largest degree possible all our raw materials we would no longer have to ship them to the United States. I have yet to hear any minister rise in his place and mention one single thing which this government has done to prevent the continuing and growing export from Canada of our raw material resources. Our provincial governments were assured of a new deal and, for a time, we were almost fooled. Sixty-two million dollars more was given to the provincial governments. However, because of the decline in revenue, $50 million of the $62 million has already been lost to the provinces, and the recent rise in interest rates has caused the provincial governments to lose even more. So that under the present government the provinces will get less than they received hitherto under the Liberal government. The municipalities, of course, did not get a new deal at all as they had been led to believe. On October 6 and 7 they were told to go home and raise their tax rates and assessments; they were told that if they could not sell their bonds and debentures they ought to consider carefully raising the interest rates offered.

Our fishermen were assured that they would receive the benefit of floor prices fixed with regard to the cost of production. Nothing has been done about that. A firm stand was promised with regard to the protection of Canadian inshore fisheries against foreign trawlers. Again, nothing has been done about that; the Icelandic government is the only government which has taken a firm stand. We have yet to see what action this government will take to remove discrimination in the matter of freight rates. We were assured that the tight money policy of the former government would be reversed. In fact, exactly the opposite has taken place.

We were assured that interest rates were needlessly high. They are even higher today. In fact, this government handed on a silver platter to the moneylenders of Canada an undeserved gift which over the course of the next twenty-five years, using the Minister of Finance's own figures, will amount to over $1,000 million. That is how the government handles the taxpayers' money with respect to moneylenders but when it comes to the unemployed the government says, "we have to fight inflation and balance the budget."

The Conservatives assured us they would call a conference on national conservation in

the fall of 1958 but that has not been done. They assured us that the application of the Prairie Farm Rehabilitation Act would be extended to all parts of Canada but that has not been done. They told us in certain terms something would be done about the natural gas pipeline but nothing has been done except the appointment of a royal commission. They held out to the people of Newfoundland the hope of aid for the development of hydro power projects and the building of transmission lines. We know what has been done in this respect.

In the city of Vancouver last March we were assured that as far as the recession was concerned we had passed the peak. I find it difficult to believe that the Prime Minister of Canada, a responsible and highly respected man, could look at the figures and statistics and read the economic and business barometers and shout out to an audience of 13,000 that they are to ignore all these facts because, "I, the Prime Minister, personally assure you we are past the peak." Mr. Speaker, the mills of God grind slowly but they grind exceeding fine.

I remember one other prime minister who in an election in the 1930 campaign put bands of honor on the arms of the unemployed but the revenge came in 1935 and that man went out with a bigger bang than that with which he came in. This may well happen on the Canadian scene five years following the last election.

We were assured that the province of Quebec could rest content in the knowledge that its provincial rights would be safeguarded and cabinet representation from that province would be respected. I notice no leading member of the present cabinet representing that one-third of the Canadian population in the province of Quebec. We were also assured that Canada would not allow United States domination of Canadian industrial enterprise. Absolutely nothing has been done in this regard.

How the Conservatives wept for the plight of the small businessman but there is no indication that financial aid will be made available so that he can expand his business. He was assured of credit so he could expand and meet his larger competitors on more equitable terms. Nothing has been done. The sum of $30,000 was voted in the estimates last year which is enough to build one filling station in one small village in Canada. That illustrates the sympathy this government has shown toward small business.

One of the most pathetic cases of all is that affecting the old age pensioners of Canada and the understanding they had of what might be done for them by this government. I attended some of their meetings just before the new year. Many pensioners mentioned the fact that this government is going to bring in a new social security system and they are hopeful that the Prime Minister will keep that election promise and that they will receive a higher income. What a terrible hoax this is because the implementation of the Clark report or any other report setting up a new national insurance plan will result in the government saying to these old people now on pension, "Look, folks, you did not pay anything into it. This has to be on an actuarial basis so just be content to continue receiving what you now get." It is an appalling thing to mislead these old age pensioners into thinking their cash income will be increased if the government has no intention of doing so.

We were assured that taxation would be revised downward. First of all there would be a radical income tax change affecting most Canadians. There was the vague promise of a tobacco tax cut. Our investors were to be placed on an equal footing with foreigners. We were assured that this government would recapture foreign markets that had been lost, would begin trade with the Chinese communists and would take some trading eggs out of the United States basket. I do not think any minister can cite a single action of this government that has been taken to implement those election promises in regard to recovering our foreign markets.

And then we had the election promise of them all. We all remember how that five-cent piece used to haunt Mackenzie King. I think he had a nickel in his pocket when he was buried. How we heard about that in the 1930 election campaign. But there is another election promise that is going to haunt some people in Canada and it is to the effect that no man or woman is going to suffer from unemployment. I give fair warning that as long as there are unemployed in this country there will be C.C.F. members in this house to rub it in time and time again until this government realizes that it cannot ride out the storm, that the situation is extremely serious and the government is responsible for the welfare of the Canadian people. Certainly an unemployed man sleeping under newspapers in a public place cannot be told he is not going to suffer from unemployment.

I have omitted the pledges made by members of this government to those interested in education or with respect to the rights of parliament, Senate reform or the question of removing the review of divorce from the House of Commons but I feel I have listed enough clear illustrations to demonstrate the record of the government in terms of keeping its election promises.

I say the government cannot deliver the goods because it is enslaved to the moneylenders of Canada. That is so obvious. Its one major economic influence since it took office has been the bond conversion deal. It found $30,000 for the small businessman; $9 million for education and although I do not know what its winter works program will cost I know from personal observation it will not be too much. This government was able to find $1,000 million for the moneylenders of this country and as a result the interest rate will be raised for every provincial and municipal government, hospital and school board, every business enterprise and every individual in Canada. In giving a 50 per cent increase in the take-home pay of the moneylenders of Canada this government did our country more of a disservice than has been done by any government in many a day. The history of the monetary system in Canada in years to come will bear out what I have now said.

The old philosophy that he governs best who governs least is completely obsolete today. Those who subscribe to that philosophy should move into the heart of Africa where there is no government or taxes. Adequate government and a growing concept of the role of government are marks of civilization. The people of Canada will some day realize they will get nothing from the Conservative government and this will be true because they did not sacrifice to elect the present government. Rather the advertising agencies and moneylenders of Canada elected this government and as long as people are willing to sit back and allow vested interests to elect their parliament so long will the people derive little benefit from parliament. They will get only as much as those in office feel they must give in order to once more lure their vote away from them at election time.

Mr. Crouse: Mr. Speaker, would the hon. member permit a question? Are you against the people of Canada receiving interest on their savings which are invested for them by the moneylending institutions of this country?

Mr. Regier: I am in agreement with interest rates being high enough to cover the cost of collection and the risk involved. Anything over and above that is usury which used to cost people their membership in civilized christian society.

Mr. F. C. Stinson (York Centre): Mr. Speaker, may I first express the sense of privilege which I feel in returning to this House of Commons as the member for York Centre and in having the opportunity of taking part in the work of parliament.

[Mr. Regier.]

I would first congratulate my friend, the hon. member for York-Scarborough (Mr. McGee), on the fighting speech he made at the commencement of to-day's proceedings, in which he set out so clearly the measures taken by this administration in the past 18 months to meet the problems of the nation. I would also like to express my congratulations to the hon. member for Victoria, British Columbia (Mr. McPhillips), who gave us just a little while ago such a colourful account of the history of his province and of the problems affecting his native city of Victoria. I am sure that many hon. members long after they have left this house and in their old age will remember that speech and read it in *Hansard,* as I will, with a great deal of pleasure.

These are exciting and critical days and the things that we decide here will have important effects not only on the people of this country but on many people throughout the world. For this reason, I consider it a privilege to be here.

In recent months I have met and talked to a number of people who have come to this country from Europe and other places. They are grateful for the material advantages they find in this country but the most precious thing to them is the freedom which they have in Canada. This parliament is the guardian not only of many of the rights that make up this freedom but it is also the symbol of our democratic tradition. For this reason also I consider it a privilege to be here.

The citizens of Canada, Mr. Speaker, are expecting great things of us in this second session of the twenty-fourth parliament. The problems facing us are complex and in many ways unique. The working out of solutions will require industry, insight and, if I may say so, a certain measure of restraint in the matter of speech-making. We are here primarily to get things done. And, Mr. Speaker, no hysterical, emotional speeches such as we have just listened to from the hon. member for Burnaby-Coquitlam (Mr. Regier) will assist us at all in the solution of those problems. I listened to that speech with careful attention and I must say that in the whole of it there was not one positive, creative idea presented which would assist the administration in the solution of the great problems facing this country.

Mr. Howard: Have faith in John.

Mr. Winch: We thought you had the answers.

Mr. Howard: That was before the election.

Mr. Stinson: All of us will agree that in these days there is a new political climate in

Canada, an awareness of the role of parliament and Canada's place in the world. This has not come about by chance. It has happened because of the inspired leadership given by the Prime Minister (Mr. Diefenbaker), a kind of leadership without parallel in this country since the days of Sir John A. Macdonald.

May I also express my respect—

Mr. Deputy Speaker: Order. It would be appreciated if hon. members permitted the hon. member for York Centre to carry on his remarks without too many interruptions.

Mr. Stinson: May I also express my respect for the colleagues of the Prime Minister who share with him the responsibility of government. I think I have some little idea of the weight of the obligations they have and the constant pressures which surround them. I have said on the hustings and I say here that these are ministers of whom every Canadian can be proud.

I think that the Canadian people expect us to do two principal things during this session: first, to take measures which will promote prosperity and, secondly, to adopt policies and to take actions which will help promote peace in the world. Notwithstanding a slow beginning, 1958 turned out to be a better year than many observers predicted. Our gross national product increased by two per cent. Total exports remained almost unchanged from the year before. Wheat exports increased by almost 50 million bushels. Farm implement sales were greater than the year before. There was also a substantial decrease in our world trade deficit. Personal incomes of Canadians—and this term includes many thousands of Canadians represented by our friends to Your Honour's left—rose by about five per cent and consumer spending was four per cent higher than the year before.

While these are substantial achievements, Mr. Speaker, there are still thousands of Canadian out of work, and it is the first responsibility of this parliament to assist business and industry in the solution of the problem of unemployment. I sometimes think that "problem" in this connection is a pretty inadequate word; for it fails so badly to describe the distress and misery that a man goes through when he cannot find a job.

Equally disturbing is the problem of inflation, which is recognized as the basic danger to the health of our economy by every responsible leader in business and in the trade union movement. One of the contributing factors, of course, has been the increase in the money supply, a 12 per cent increase in the one-year period beginning October 1, 1957. While this increase had some effect in speeding the economic recovery, it is a trend that must be stopped. Another factor has been the huge spending program on the part of governments at all levels. I think we have to learn that the transfer of money from one sector of the tax-paying public to another does not necessarily produce wealth and that it can have serious inflationary effects.

The only effective answer to inflation is increased production and increased production is achieved only when people work harder and improve their techniques. No democratic country can undertake to force people to do these things. It is our responsibility as individual Canadians to accept higher incomes only when we have earned those incomes by greater productive effort.

One of the major reasons for the economic upturn in many parts of the country has been the government's policy with respect to housing. In the first half of 1957 there was a serious decline in residential construction. Upon coming to power this government introduced legislation which had the effect of requiring a lower down payment and lower income eligibility of people applying for loans under the National Housing Act. More than half a billion dollars has been made available for the construction of houses and other residential units. The government has encouraged limited dividend projects providing low rental housing and the redevelopment of depressed areas in co-operation with the provinces and municipalities.

These policies, Mr. Speaker, have resulted in a spectacular record for residential construction, with housing starts in the year 1958 reaching 163,000, one-third more than the figure for 1957. In my own community of North York township the value of buildings for which permits were issued last year rose to $130 million as against $76 million in 1957, with 10,000 new dwelling units being commenced during the year. It is impossible, of course, to estimate the social effects of this policy of promoting home ownership. The economic effects are felt throughout the whole economy. Serious problems remain. The high cost of serviced land in the suburban areas makes it difficult to build houses at prices that can be paid by low income workers. While municipalities have the major responsibility in this field, this government and the members of this party recognize the need for assistance.

Perhaps the most significant step taken by the government in recent months was the convening of the commonwealth trade and economic conference in Montreal. Here was a meeting of the representatives of 600 million people living in that unique family of nations known as the British commonwealth. Much was achieved. It was agreed

that it was desirable to expand the resources of the international bank and the international monetary fund. It now appears that there will be a substantial increase in the resources of each of these important international financial agencies. The government of the United Kingdom announced the removal of dollar import restrictions from raw materials and industrial machinery. It was agreed that consideration should be given to the problem of the disposal of subsidized surplus products so that the legitimate markets of the members of the commonwealth would not be impaired. One of the major accomplishments, of course, was the recognition by all representatives of the need for more rapid economic development of the underdeveloped countries. I think we can all take great satisfaction in the increase in Colombo plan aid recently announced by the Prime Minister of this country.

This record certainly is good but, Mr. Speaker, it is still a fact that in this country and in all the western countries we have not yet begun to realize what is going on in the other half of the world in science, in industrial production and in education. While we in this country have been concentrating on becoming more comfortable, reducing our hours of work and finding amusements for our leisure time, the Russians and the Chinese are changing the face of the world. Not only that, but the Russians have reached out into the heavens and a man-made planet is now making its way around the sun. Consider, for example, the comparative figures for the production of steel. In 1958, Great Britain produced 18,902,000 tons of steel, 3 million tons less than was produced the year before. Canada produced 4,359,000 tons, about 2 million tons less than her capacity. The United States produced 85 million tons as compared with 112,700,000 tons the year before. Russia in 1958 produced 60 million tons, an increase of 4.5 million tons over 1957. Production in China was 10,700,000 tons, an increase over 1957 production of 4,800,000 tons.

These are plain facts, which are not changed by conversation about low wage rates and the long working hours of the Russian and Chinese workers. The spectacular achievements of Russia in the scientific fields are well known. Less well known are the accomplishments of the Chinese. Professor J. T. Wilson, who was in China last summer, has recently reported in the *Saturday Review* on a visit he made to the city of Lanchow. Here, in a city of 800,000 people, there has been established a scientific centre where within 10 years 15,000 technical people will be employed. He saw a library containing 2,600 science periodicals. The equipment was of a high quality and much of the work under the direction of western-trained scientists.

If we fail in this race against the Russians and the Chinese and the other Asian countries we will fail because we have become lazy, fat and complacent. Nowhere have we become more complacent than in the field of education. Last summer I had the opportunity of reading a report made by a young Canadian teacher, Mr. Anthony Frisch, who has made a careful study of the curriculum of the East German and soviet high schools in science and mathematics. Mr. Frisch has studied at Cambridge and McGill universities and has been a classroom teacher in Ontario schools. His report compares the soviet and East German curriculum with that in each of the provinces of Canada.

He points out that in Ontario the courses in mathematics are behind the soviet courses by about three years in the soviet equivalent of grades 9 and 10. In physics, Ontario is behind the soviet by two years in the soviet equivalent of grade 7; one year in the soviet equivalent of grade 9; one year in the soviet equivalent of grade 10; and one to two years in the first part of the soviet equivalent of grade 11. In Ontario, there is no attempt to teach mathematical molecular physics and the thermodynamics which are taught in the Russian counterpart of grade 11. In chemistry, Mr. Frisch reports Russian children are taught more in two years than Ontario children in five. In the final year in Russia, the whole course is devoted to organic chemistry, whereas in Ontario the upper school course includes only three weeks' work in this subject.

In British Columbia, Mr. Frisch reports that in mathematics the courses trail the soviet courses by three years and that the matters covered in the final two years of the soviet high schools are not touched at all. In physics, most of the work taught in the final 2½ years of the soviet high schools is not attempted at all.

In the Atlantic provinces, the teaching of mathematics and science falls even further behind what is being done in the Russian high schools. In Russia there are 71 subject units taught in mathematics, physics, chemistry and biology in the secondary schools, and in the provinces of Canada the figures are as follows:

British Columbia	34
Alberta	42
Saskatchewan	43
Manitoba	40
Ontario	54
Quebec (Protestant schools)	48
Quebec (Catholic schools)	28
Atlantic provinces	42
Newfoundland	27

This concentration on intensive training in science and mathematics is not confined to countries under the Russian influence. In the Gymnasia Ivrit secondary school in Jerusalem, the curriculum taught in these subjects is similar to that given in the schools in Russia and in East Germany, and this in a country struggling to meet the basic material needs of the people.

It is my opinion that three things are urgently needed. The first is a vigorous effort on the part of ministers of education to revise the curriculum in mathematics and science. I am persuaded that such a step would be well received by the secondary school students of this country, many of whom would prefer a more exacting curriculum to some of the extra-curricular amusements which are offered up these days.

Second, we require more public money to be spent on education, for equipment, for teachers and for scholarships. At the present time ten per cent of the money spent each year for national defence would pay the total budget for education in the province of Ontario.

Finally, we need to arouse the people of the country to an awareness that this matter has become a national crisis.

As the Leader of the Opposition (Mr. Pearson) said last summer at the Couchiching conference, "crisis" is a very common noun these days, partly because it fits neatly into a headline. As we read the newspapers, every day seems to bring a new crisis. I suggest, however, that some of the most critical things which are happening seldom reach the headlines, and that this falling behind in education is one of them.

I would also propose that in addition to the scholarships agreed upon at the commonwealth trade and economic conference, this government establish awards for study in other parts of the commonwealth in science and in history, the recipients to be known as "commonwealth scholars". While there may be constitutional difficulties in the way of federal government action in this field of education, I think these can be overcome if the Canadian people can be brought to realize that their children and grandchildren may not be equipped to meet conditions in the world as they will find them.

Mr. Speaker, I have touched on some of the things which I believe to require attention in this session. In a free country governments alone do not determine whether or not our goals are achieved. Much depends on the will, the enterprise and the judgment of individual citizens. Government policies and actions, however, remain terribly important. It is our duty as private members in all parties to recommend to the government of the day policies and actions which we think advisable.

We are living in an important era in the history of our country, and we cannot permit ourselves to become downhearted or easily discouraged. I was reading the other day, on the wall of the office of a good friend of mine, a few lines written by Edmund Burke which were as follows:

> Those who would carry on great public schemes must be proof against the most fatiguing delays, the most mortifying disappointments, the most shocking insults and, worst of all, the presumptuous judgment of the ignorant upon their designs.

While I believe this statement to be true, I also believe that all of us in this House of Commons can receive great rewards, rewards that will come from great public schemes courageously undertaken.

Mr. O. J. Godin (Nickel Belt): Mr. Speaker, I am most pleased that I am being given such an early opportunity to speak in the debate on the speech from the throne so that I may give to members of this house an on-the-spot account concerning the great economic difficulties which our area necessarily suffered since the last session of this parliament.

At the outset I must say that I fully realize that the problem was a provincial one and that, primarily, it had to be settled at the conference table by the union and the management. However, I am pleased to pay tribute in this house to the union of mine, mill and smelter workers, local 598, for the manner in which the strike was undertaken and carried out. As far as I have been able to read in the newspapers, we in our area all feel confident that the strike was carried out with the best of discipline. I am also pleased to congratulate the company which at that time was necessarily faced with a problem. We heard yesterday that there was no existing problem of recession or inflation. I feel that the workers in my area in the face of the rising cost of living, were definitely entitled to make demands for higher wages, something which they have been accustomed to do. I also fully realize that the company, in the face of the present recession and in view of the figures on its books, could not very well afford to increase the cost of its production. That is why I am pleased to offer to both the congratulations which they deserve. Later in my address I will speak of the problem involved, but first I should like to state how greatly the population of our area have appreciated the assistance from the Catholic charities, the Salvation Army and the newspaper *Le Droit*

of Ottawa. All have made charitable donations for the purpose of assisting the needy people in crises of this nature.

Yesterday we had the privilege of hearing three extremely important speeches. As a newcomer in this twenty-fourth parliament, I must say how greatly I was impressed by the speech made by the Leader of the Opposition (Mr. Pearson) and the manner in which he described to this parliament the problems of today. It is my intention to say a few words later about the speech of the Prime Minister (Mr. Diefenbaker) but, if I may be permitted to do so, I should like to discuss the less important matters first.

I should like to make a few remarks about the position of the C.C.F. group in the house. At the beginning of his speech the leader of the C.C.F. group said that as far as he was concerned there was no difference in the speeches delivered by the Leader of the Opposition and the Prime Minister and that if they were to change seats in the house all they would have to do would be to exchange notes. I understand this is possible because it is a known fact that the Canadian people have never required the C.C.F. group either to undertake the duties of government or of the official opposition.

The role of the C.C.F. group may be similar to that of an old maid who would undertake to give advice to a young bride on the intricacies and difficulties of marriage. I have heard the further reference that possibly the C.C.F. group in this house may be compared with a drum majorette. There is much high kicking and twirling but the sound does not come from there. The music of proper policies for our country is very confused unless the hon. member for Kootenay West (Mr. Herridge) would like to have the house believe that the advantages or disadvantages of queen bee jelly are a major Canadian problem.

Before I go further I should like to take the opportunity to congratulate the young member for Provencher (Mr. Jorgenson) for the wonderful contribution he made in moving the address in reply to the speech from the throne. I trust that the hon. member may have further opportunities to present to the house the opinions which he elaborated so well.

(Translation):

I would feel remiss, Mr. Speaker, if I failed to congratulate the hon. member for Montmagny-L'Islet (Mr. Fortin) who, at the very beginning of the second session of this 24th parliament, made in the house the usual remarks in support of the motion on the address in reply to the speech from the throne.

[Mr. Godin.]

I noted that he stressed two particular points. First, he outlined what the Conservatives mean by true Canadianism, and he strived to explain Canada's true position within the commonwealth of British nations, as Conservatives see it.

I also appreciated, Mr. Speaker, his reference to the Right Hon. Louis St. Laurent's statement that the province of Quebec is a province like all the others. Nevertheless, I am sorry he omitted the substantial attribute added by the Right Hon. Louis St. Laurent, when he stated that the province of Quebec was part of Canada, and Canada part of the commonwealth, so that the whole should be comprised in a single union, though not necessarily a unity, but that there should be union in diversity, without any part being subordinate to the other, so that this country might continue to march forward towards the bilingualism which was the aim of the Fathers of Confederation.

I wonder right now, Mr. Speaker, if the province of Quebec is a province like all the others, in the Conservative sense, when the leader of the Conservative party of the province of Quebec refuses university grants. Moreover, on reading over the remarks of the Minister of National Revenue (Mr. Nowlan) and those of the Minister of Citizenship and Immigration (Mrs. Fairclough) in regard to "O Canada", a song which is so highly appreciated in Quebec, I wonder if that province actually is considered a province like the others.

Mr. Speaker, I am glad that we now have simultaneous interpretation in the house, a move which, as a matter of fact, I supported last year, together with all the other hon. members. However, Mr. Speaker, for all its present convenience, is not this system a complete admission of failure with regard to the progress foreseen by the Fathers of Confederation in a bilingual nation? Mr. Speaker, I believe that this system of simultaneous interpretation is somewhat like the case of a Christian who pays his neighbour to go to church for him. And on this point, I must say that I highly appreciated the position taken by the present leader of the opposition, when this system was up for discussion last year. He wished that the system would soon become unnecessary. I am sure all hon. members will welcome such time as we can probably appoint to the other place the gallant interpreters who are doing such a fine job of simultaneous interpretation.

As to Canada's position within the commonwealth, I wonder if it can be judged by the results of the Montreal conference, where there was more eagerness to get than willingness to give. Is it possible to recognize the true position of Canada within the commonwealth, in the statement of the Prime Minister who wanted—and I think I am repeating his very words—to divert to Great Britain 15 per cent of our trade with the United States.

(Text):

A few moments ago, Mr. Speaker, I said that I should like to say a few words about the speech of the Prime Minister yesterday. First, I must say that I was much surprised when he began his speech by saying that the Leader of the Opposition had just repeated what he had been saying throughout Canada. On this score I should like to state that the Prime Minister has bettered that in that yesterday he repeated to us the speech he made a year ago in this very house. *Hansard* is there to check. First he began with an attack on a two year old motion made by the Leader of the Opposition when he was appointed leader of the party.

An hon. Member: One year old.

Mr. Godin: I should have said two sessions ago. That was the beginning. The Canadian people—I base this on confirmation I have received from my riding—were also very surprised that the speech contained nothing but doom, gloom, lamentations and the heritage of the government from the former administration.

Possibly his speech was slightly different from last year in the sense that he took ten minutes to introduce remarks concerning his trip around the world, but my recollection is that the only reference made to that tour since the house began was in the form of congratulations by two members who said we were happy to see him return in good health after such a strenuous and possibly fruitful visit. I am pleased at this time to add my word of appreciation on his return, and I am sure I will be supported in this by the Minister of Public Works (Mr. Green) because I recall very well viewing a television performance in which the minister was running out of aspirins as the Prime Minister was away. Last year, during more genial moments, there was laughter brought about when reference was made to the Conservative backbenchers as trained seals. May I be permitted to give a word of warning to the frontbenchers, since they must know that during the course of his visit the Prime Minister has also become an elephant trainer?

Now in referring to this heritage which this present government claims it has received, I wish briefly to describe conditions around Nickel Belt. Firstly, however, may I say we fully recall a certain heritage in the history of Canada, and that was the one left in 1935. We all know that the talk of those days was not gloom and doom; the talk of those days was to rebuild Canada and to bring about the solution of social problems for which I am sure hon. members of the C.C.F. party were very happy to vote—such measures as family allowances and unemployment insurance. This was done, and the Liberal government carried Canada through an awful heritage, through the prewar period, through a very difficult war which was the costliest Canada has ever known, and through an equally difficult postwar period. This, the Canadian people all remember. The Prime Minister has produced statistics to show that everything is on the upswing, that there is no recession and no inflation. I have statistics of my own; they may not be all figures, but they are facts, and I think facts sometimes speak much better than figures.

The people in my area refer to the policy of the present government as an accordion policy; you squeeze both ends against the middle, and in the middle are the Canadian people. I say this because the facts I shall give will bear it out. We had a wealthy industry in our area in the Nickel Belt but the recession is doing something to it. The workers were accustomed to making demands for increases, and they did make those demands on account of inflation and the rising cost of living, but they could not obtain satisfaction. I must say this, and it is a known fact in my area: since the Conservative party came into power 11 voting subdivisions have been closed because lumbering industries have been closed and because there are no people living there. In addition, mines have closed and, with regret, I must say that four mines have been closed in my own area since the Conservative party came to power. These may not be statistics but they are facts. I say with regret that the Conservative candidate who opposed me was an employee of one of those mines which have closed, and that he became unemployed thereby.

The Prime Minister indicated to this house that he did not follow the calculation of the Leader of the Opposition when he stated that the old age pensioners had lost $2 of their pensions. I think I can better this, Mr. Speaker. Visiting my riding a short while ago I met an old gentleman of about 72. He had three sons. Of course, we discussed politics as people usually do when they meet their representative in parliament, and he stated

that he was a supporter of the present government and that he was impressed by the $9—that was the major reason for his support of the party. That was his confession to me. He told me he wanted me to meet his three sons. I was introduced to the three sons, all fathers of young families, and then he said: "Sir, these three boys had been working steadily for 15 years, earning $300 a month each. What happened was I got my $9 by voting for the present government, but my family has lost $900 a month." That speaks more strongly than statistics.

Now I turn to the Inco strike. As I said earlier, I fully realize that this is a provincial matter and that it involves a dispute between labour and management, but the cause is very interesting to seek. What actually happened? Hon. members can check *Hansard* for last year, and they will find that when I had occasion to make my first speech in this house I asked the government to give us the accustomed Liberal prosperity, in which case they would solve 85 per cent of the problems in my riding. We have known for many years that we are a wealthy section, but we also know that we could lose all that very quickly. The people of my area remember what happened last fall. How did it occur?

The workers were asking for more because the cost of living was higher, and that was correct. However, the company felt that it could not increase its cost of production at that time because they had lost markets, possibly due to the diversion scheme, and because they were not able to sell to the extent they were selling before. Here I have a copy of a brief in which is set out a good foundation for the understanding of the problem which arose in the nickel industry. After 18 pages of statistics and an analysis of the conditions facing the company, the submission concludes with a passage which I would be pleased to call as a witness and make part of *Hansard*. It is the conclusion of the brief presented to the conciliation board, and I quote:

> These current conditions have been clearly reflected in the company's profits. As compared with 1956, the year in which the last negotiations with the unions took place—

That is true. The last negotiations in the area in the industry took place in 1956 before this government was elected.

> —the net earnings for 1957 were down by an amount in excess of $10 million. So far as the first quarter of 1958 is concerned, the net earnings were little more than one-half the net earnings for the same quarter in 1957. The net earnings for the second quarter of 1958 are substantially less than one-half the net earnings for the second quarter of 1957. In short, the net earnings of this company for the first six months of 1958 are $21,401,000 as compared with $45,601,000 for the first six months of 1957—

And listen to this:

> —and compared with $51,772,000 for the first six months of 1956.

That is the heritage which was left in 1956, and that is what the present government has done to it. I may say, further, that in a notice published in the local newspaper the company repeated the difficulties which it was encountering, and we read the following paragraph:

> Against this background it was obvious that the company could not raise its production costs by continuing the unbroken record of substantial increases in wages and fringe benefits it had maintained over the past 14 years.

That is the heritage about which we are now complaining. That is what happened. Crude statistics cannot compare with a proper review of conditions in the Nickel Belt area.

On many occasions I have had the pleasure of discussing with municipal officials the problems with which they are confronted. It has been announced that within a few weeks that a program of winter work will come into effect to cure various problems. What problems will this cure? Winter work is nothing but relief. We are all happy to accept winter work for our municipalities because there is no doubt that the unemployed must find a means of providing food for their families but the tendency to rely on this type of program as a remedy for situations of this kind is an old routine. In my younger days I was employed in the same fashion under the Bennett regime digging ditches on highways and cutting brush along creeks. A program of this kind is not a valid solution to the problem which the Canadian people expect this government to solve.

The people of this country do not wish to be kennel dogs living off unemployment relief or family allowance checks and give-away winter jobs lasting three weeks. The Canadian worker wants instead to be a bird dog, one that can go out and catch a bird and thus feather the nest for his family. They want the opportunity of securing permanent employment. I realize that the unemployed worker must accept the employment offered him under programs of this kind in order to provide for the immediate needs of his family but his ambition is to find permanent work. I am surprised that the attitude of the present government should be one of patting the unemployed worker on the head and telling him not to worry because the winter works program will soon come into effect. The government has had many opportunities in the last seventeen months to undertake constructive measures to meet this situation. The attitudes

presently displayed by members of the government are those we have witnessed before and they do nothing to alleviate the hardships created by the problem of unemployment.

A matter of some interest to the people of my riding is the objection this government had to a motion which I had occasion to bring forth at the time when the question of income tax deductions was under discussion in this house. A little bait was introduced by the Minister of Finance (Mr. Fleming) in that the cost of an ambulance to a licensed hospital was to become deductible from income tax. I have discussed this with people in my riding and they asked me to come back and tell this government to amend this statute further. Of course the government had ample opportunity to do it last year. The deductibility of fees for ambulances to licensed hospitals extends to a small group in Canada and applies to a group that does not need such assistance. We know that ambulance service exists only in the larger centres in Canada and extends only within five or ten miles of a licensed hospital.

Mr. Fraser: You are wrong there.

Mr. Ricard: He has been wrong all along.

Mr. Godin: I have no figures to produce but there is no ambulance service whatever in my riding. My riding is five miles from Sudbury. You can call an ambulance to Foleyet but it will take two days to arrive from Sudbury and will have to traverse five ridings in order to get there.

An hon. Member: But it will be deductible just the same.

Mr. Godin: But a man injured in the bush will be dead by the time the ambulance arrives or at least by the time it reaches the hospital. I see no argument against extending this principle. It is definitely a flaw in that legislation as it stands. A person who lives far from a licensed hospital receives no benefit from this provision.

Hon. members appear to want to ask me questions and I would like to have the same right at this time. I want to know why only those people who can obtain ambulance service are entitled to make the deduction?

Mr. Fraser: Are you against it?

Mr. Godin: Let the Minister of Finance explain to this house why only the cost of ambulance service should be deductible. We know that in cases of emergency people must sometimes be flown to hospital.

I could speak of many other problems that confront the people of my riding but I realize that I shall have other opportunities to bring them to the attention of this house. I am pleased on this occasion to support the amendment presented by the Leader of the Opposition. This amendment provides the government with an opportunity of thinking things over and bringing about concrete solutions to the serious problems it is called upon to remedy. I noted that the Prime Minister begged from the Leader of the Opposition and other hon. members advice as to what solutions might be introduced by it and I recommend to them the words of my leader. But at the same time I note that the Prime Minister refuses to permit the adjournment of the debate on the address in reply to the speech from the throne in order to discuss concrete measures which this government might adopt to meet the grave and pressing problems besetting the Canadian people.

Mr. O. W. Weichel (Waterloo North): Mr. Speaker, as one of the older of the new members, I wish to congratulate you, your deputy and the chairman on your appointments to the important positions you hold in this house. In your office as Speaker you have the responsibility of upholding the rights of both the minority and the majority and we are all confident that you will as you have demonstrated in the past.

This is my maiden speech, Mr. Speaker, and I deem it a great honour to be standing up here in the House of Commons only a few seats from where my uncle, the late W. G. Weichel, sat more than two score years ago. As a young boy, I avidly followed the career of my uncle in parliament and never dreamed that some day I would succeed him. As it turned out, I was elected the first Conservative member in my constituency since my uncle was defeated in 1917. I hope that my stay here in Ottawa will be as productive as was that of my uncle and that he, as the parliamentarian he was, will be proud of my efforts here. Even over that long span of 41 years, there are still members in this house, like the hon. member from Dufferin-Simcoe (Mr. Rowe) who remember my uncle in parliament.

I would like to add my congratulations to the mover and seconder of the speech from the throne. I am sure that the country will hail the many worthwhile things the government expects to do in this session as outlined in the throne speech. Probably of most significance to my riding of Waterloo North were the planned aid to farmers, the boost for home building and the assistance to exporters, veterans and the unemployed.

The many exporters in my industrial riding of Waterloo North probably see much good

in the government's aim to change the Export Credits Insurance Act, which will help to insure them against non-payment by foreign buyers. Farmers, too, gained much hope from the contents of the throne speech. The move to institute farm crop insurance and the planned review and revision of farm credit legislation should be a boon to my agriculture-conscious riding, as well as to others.

Although Waterloo North has not been hard hit by unemployment, the changes proposed in the Unemployment Insurance Act prove the intention of this government to deal effectively with this problem. I cannot pass by this opportunity to congratulate the government on its proposal to establish a national energy board. Oil and natural gas interests have been awaiting this move and the formation of such a body will regulate the proper use of these important resources.

Before giving hon. members an outline of the highlights of my constituency I would like to say that it has produced some of Canada's greatest statesmen. The long-time prime minister Mackenzie King was born in Kitchener. His birthplace "Woodside" has been maintained by citizens who honoured and respected him. The hon. member of the Senate, W. D. Euler, was elected to this house in 1917, and since that time has sat either here or in the Senate. To continue my relationship with former members in this house, the Hon. Mr. Euler is my cousin. Not a relative, but a close friend and distinguished statesman, the Hon. Louis O. Breithaupt is also Waterloo North born and bred. As hon. members know, he served Waterloo North for many years before being elevated to the post of lieutenant governor of the province of Ontario. Another friend was my predecessor, Norman C. Schneider, who is known to many hon. members here. An old army buddy of mine in the first world war, Mr. Schneider served the constituency well during his stay here.

Waterloo North, which I inherited from Mr. Schneider, is one of the most heavily concentrated areas in Ontario in both industry and population. It boasts one of the best farming areas in the dominion. Waterloo North was settled by Mennonites of Pennsylvania German extraction, who came to our district on a 600-mile-long trek in Conestoga wagons from Pennsylvania. They were joined by British settlers and down through the years by Polish, Ukrainian, Hungarian, German, Austrian, Italian, Jewish and many others, making this one of the most cosmopolitan centres in Canada. The Mennonites of the district, a sect not unlike the Quakers, have stayed on and today operate a big portion of the rich farms of Waterloo North.

The twin communities of Kitchener and Waterloo, with a total population of some 80,000, are the largest municipalities in my constituency. These two cities have a total of 280 firms manufacturing hundreds of diversified products. Kitchener, the larger centre, has 205 industries, with a yearly production valued at $181,321,000, a figure which places this city fourth in Ontario and ninth in the Dominion of Canada. Gross value of production has increased over 100 per cent since 1944.

With a large acreage of land now available for industrial expansion, indications are that many more firms from the United States, England and continental Europe will settle in the city. Many of those which now rate as the city's leading industries had humble beginnings and are managed at the present time by third or fourth generation descendants of the original founders.

Probably Kitchener's best-known industries are its rubber and meat packing firms. The meat packing plants are J. M. Schneider Limited and Burns and Company (Eastern) Limited. The rubber industries, B. F. Goodrich Canada Limited, Dominion Rubber Company of Canada and Kaufman Rubber Company, along with Kitchener Button Industries Limited, hailed the government's move last year to tighten anti-dumping laws. It was proof to them that the Conservative government is interested in all their problems. However, leaders of these firms and others look for more assistance in the future.

Another young and thriving industry in this city is the Dominion Electrohome Industries Limited which has expanded considerably recently because of the public's interest in its products, namely television and electronic devices.

In an effort to keep these factories humming, the Kitchener chamber of commerce has designated February 13 to February 23 as Kitchener's products week. Every retail store in the city will donate a window for the display of products made by Kitchener workmen. To lend novelty to the mass merchandising display, a jewellery store will display meat products, for example, and possibly a ladies' wear store will show tires. It is hoped that the displays will encourage area consumers to buy Kitchener-made goods and keep the home town workmen busy throughout what is usually the peak unemployment season.

Kitchener's twin sister, Waterloo, is probably best known as the Hartford of Canada. Within its borders are the head offices of six insurance companies employing about 1,500 people. Total assets of these companies exceed $750 million. No other city in Canada has

such a large percentage of its economic activity embodied in the insurance business. Their business covers the length and breadth of Canada and includes branches in several foreign countries.

Although insurance rates as Waterloo's chief industry, the city's fame has also been spread through the manufacture of alcoholic beverages. Joseph E. Seagram and Sons Limited, which celebrated its hundredth anniversary last year, has grown to become the world's largest distiller. The Seagram organization includes not only six large plants in Canada but others in the United States, Scotland, Jamaica and Puerto Rico.

On the other side of the thirst-quenching scale, Waterloo also produces beer from the large concern of Carling Breweries Limited. It employs 385 people in its Waterloo plant and its annual payroll is $1,450,000. Another well-known brewery, Dow-Kingsbeer, makes its home in Kitchener.

Waterloo College associate faculties is the centre of one of the newest experiments in higher education being conducted in Canada. Two years ago it introduced a co-operative engineering course that combines periods in the classroom with alternate stays in industry. The co-operative plan, revolutionary in Canadian education, has focussed a great deal of interest on the Waterloo College campus. By 1965 the college which now has close to 1,000 students expects to expand to have an enrolment of 3,500. Coupled with this is an energetic construction program which will give the campus 19 new buildings in the next seven years. It is expected early in the new year that the Waterloo institution will be given a degree-granting charter and become Waterloo university.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Weichel: May I continue my remarks about the city of Waterloo, Mr. Speaker? Waterloo is also the home of the biggest band festival in Canada, and probably in the world. This band festival yearly attracts to the city between 15,000 and 20,000 people and provides competition for over 1,000 young musicians taking part in the brass, bugle, trumpet and reed bands as well as individual competitions, a real worthwhile effort to assist our youth in music. This year some 80 bands from Canada and the United States took part in the three-hour long parade to Seagram stadium, a $250,000 structure donated to the city last year on the occasion of the Seagram firm's centennial.

While there naturally is friendly rivalry between cities set so close together, there is also co-operation. The cities derive the benefit of a common hospital, a common secondary school educational system, trolley bus service, orphanage, service clubs and sports organizations. Thousands of Kitchener and Waterloo residents travel between the two cities daily to and from their employment. As an illustration of the complexity of the situation, I may say that only a few years ago the mayor of Waterloo worked in Kitchener, while the mayor of Kitchener lived in Waterloo. Twin city residents are proud of their homes and they are great churchgoers. More than 90 per cent of the people belong to the many churches situated there, and the cities rank among the top three in Canada in home ownership.

In discussing my constituency, I cannot forget my home town of Elmira where I was supervisory postmaster for over 35 years. I might say that at the moment my brother is the mayor of Elmira. It is a thriving little centre of some 3,000 people and its largest industry is the Naugatuck Chemical Company which pioneered in the production, so far as the British empire is concerned, of a type of synthetic rubber, 2-4D, and D.D.T. Under the direction of the Elmira recreational council, this town has won some 15 Ontario hockey association and Ontario minor hockey association championships. The Ontario minor hockey association, of which I had the privilege of being president in 1952 and 1954, is the largest minor hockey organization in the world, and sponsors almost 30,000 boys yearly. I might mention too that it has been my privilege to be associated with the Ontario hockey association, and the Toronto hockey league, two of the finest organizations in the world.

Whatever I am now, and whatever I have been in life, Mr. Speaker, there are two things I most assuredly am, a sportsman and a veteran. There is a tie-up between those two things because it was the loss of my right leg in the trenches during the first world war that cut short a possible professional sports career for me. It is on these two subjects, sports and the world of veterans, that I should like to speak now.

In the last few years international sports have become of increasing importance to countries. Russia, which has made amazing strides militarily, economically and scientifically in the past three decades, has vaulted into the spotlight of the sports world through its olympic victories. Canada, too, has gained a good share of that spotlight, largely through the winnings and losings of her hockey teams

in international competition. My own constituency of Waterloo North was proud to send its Kitchener-Waterloo Dutchmen to Cortina in 1956 to compete in the olympic games. Although the Dutchmen lost, they added to Canada's stature by the good impressions they made in Europe when they played in Germany, Czechoslovakia, France, Holland, Italy and Great Britain. Everywhere they went they were hailed as sportsmen, fine competitors and good ambassadors for this country. Mr. George Dudley, veteran secretary-manager of the Canadian amateur hockey association announced on January 2 that the Kitchener-Waterloo Dutchmen were named as Canadian representatives to compete in the 1960 winter games at Squaw Valley, California. They will be noteworthy representatives of Canada, Mr. Speaker.

These teams are always hampered by lack of funds. While the governments of other countries back sports development programs financially, our federal governments so far have offered no encouragement to athletics. The big stumbling block is money. It takes a lot to provide adequate facilities and operate a development plan. So far the federal governments have not assumed any portion of the costs of either training athletes or sending them to international competitions. Organizations such as the Canadian amateur hockey association in hockey and the Canadian Legion in track and field, and individuals, have had to carry the heavy financial burden. It is my opinion, Mr. Speaker, that it is now time for our government to take a look at things. A ministry of sports and athletic development might be the answer. With government assistance, we might reach the day when we could send national teams abroad without forcing their leaders to go begging for funds to make the trip.

Millions of dollars are spent each year on cultural development in this country. I am in total accord with this, as any fair-minded sportsman would be. I also feel, however, we should spend a similar amount on the physical and athletic development of our young Canadians. Let the government look at the by-product of sports events. There is the goodwill the competition fosters for Canada; the easing of international tension through international sports; the raising of the prestige of the country through participation; and the example the sportsmen on these teams set for our youth. So far Canada has not achieved the place in international competition which the potential we have warrants. However, with proper assistance that goal is attainable.

[Mr. Weichel.]

As I said earlier, Mr. Speaker, I am a veteran, and as a veteran I have strong feelings about Remembrance Day and its observance. Although I feel in my own heart that a day with such resounding significance as November 11 should be observed as a holiday, I realize that this is not the wish of all veterans' organizations. Both these organizations, however—and I join them—strongly urge the government to lead the country in a proper observance of this day that means so much to us. Perhaps the main thing this government can do is to stifle any move to shift the observance of November 11 to the nearest Sunday. If the observance of this occasion were moved to any other day, it would be to brush off with little thought the contribution our veterans have made by laying down their lives for our freedom. I, as a veteran who has hobbled on one leg for longer than I walked on two, cannot forget the contribution of those who lost eyes, arms, legs and even their minds in past conflicts. I cannot see how any group would back a move to lessen in any way the importance of our Remembrance day.

It is beyond my comprehension why some school officials, who have backed a move to abolish Remembrance Day as a school holiday, are still content to let the children out of school on days that have no significance to them, such as Victoria day which is not even recognized in England, the home of that gracious queen. It has been said that school children cannot understand the significance of Remembrance Day. Those who have fathers who were wounded or who died in past conflicts surely have some comprehension of it. If the others do not, it is time they were taught in the schools. A child's mind can comprehend much more difficult things than that.

I plead, therefore, with the government to lead this country in a more significant remembrance of those days in 1918 and 1945, so that Canadians do not fall into a lethargy in which praise of our dead becomes merely a sentimental practice.

(Translation):

Mr. Jean-Paul Racine (Beauce): Mr. Speaker, in rising to take part in the debate on the address in reply to the speech from the throne, I want to associate myself with previous speakers in tendering my most sincere congratulations to the hon. members for Provencher (Mr. Jorgenson) and Montmagny-L'Islet (Mr. Fortin) who respectively moved and seconded the address in reply.

As I am one of the first if not indeed the first, member from the provincec of Quebec to rise in this debate, I would reserve the

right to comment on certain parts of the speech made by the hon. member for Montmagny-L'Islet.

In my humble opinion, the speech from the throne contains nothing which might restore that confidence and feeling of security given to the Canadian people by the former government.

Yet, in this period of uncertainty, the people of Canada had reasons to count on government action to solve, if not entirely, at least in part the problems we are facing.

I have listened with great attention to the speech which the right hon. Prime Minister (Mr. Diefenbaker) made last night and he left us with the impression that everything was going fine in this country. I wonder whether, if he had made the same speech before an audience made up of unemployed people or of farmers hard pressed to dispose of their products, he would have scored as much success as he did achieve in this house, before his numerous supporters.

I believe the picture drawn by the Leader of the Opposition (Mr. Pearson) gives a much better idea of the economic situation confronting us at this time. Unemployment is an evil which is still rampant in Canada, and our workers are in a situation they are helpless to relieve, since it is largely a responsibility of our leaders and it remains with the federal government to do something about it. In fact the federal government has recognized its share of responsibility, and brought down at least one measure designed to check that plague. I refer here to the action proposed by the right hon. Prime Minister shortly before his trip, and contained in a telegram which he sent to the premier of the province of Quebec, as well as to all the other premiers of the provinces of Canada, I suppose.

It was an offer by this government to take care of 50 per cent of the salaries and wages to be paid directly by municipalities to their contractors from December to April inclusive, on works which normally would not be undertaken in the wintertime.

On November 20 last, the Minister of Labour (Mr. Starr) sent us copies of federal government proposals in connection with its program for promoting winter employment in our municipalities. The suggestions were contained in the copy of a letter addressed to the provincial premiers.

After considering that offer of encouragement by the federal government, our municipalities were alarmed at the scanty benefits provided by that federal assistance offered as an encouragement, and instead they gave way to despair.

The financial situation of our municipalities is most precarious, and we have only to glance at the statistics to realize that, far from getting better, the situation is getting worse. Thus, municipal liabilities which amounted to 466 million dollars in 1945, exceeded one billion dollars in 1956.

In the present state of their finances, municipal corporations and authorities will be largely compelled to forgo this program. The share promised by the federal government will be of no use to them, because the works recommended have to be carried out in winter time, will therefore cost more than if carried out in the summer time, and the percentage of this extra cost is far in excess of the proffered federal assistance.

Some of the permissible works can be carried out in winter, but engineers agree that they require so much additional care that the percentage provided by the federal government is way below the actual costs involved.

It is no easy matter to put in waterworks and sewers, especially in heavy snow, and I suppose that the Montreal authorities are perfectly aware of this just now. It is no cinch either to build sidewalks in a temperature of 20 below zero.

In our district, at least, those projects will in no way contribute to relieve unemployment, because our municipalities will not be able to take advantage of them, and will act wisely in not overlooking the fact that if the federal government offers to pay only half of the salaries, and the municipality has to pay the other half, in addition to other costs, they will be compelled to borrow at rates which are currently higher than they have ever been in Canada.

In my humble opinion, the program proposed by the federal government will fail of its objective and will in no way help relieve unemployment.

If the government really wanted to help the municipalities, it would loan them the necessary funds, without interest, or at least at a very low rate, to enable them to undertake municipal works at any time. This would also help relieve their financial burden and would enable them to provide certain urgently needed services in many communities.

Another problem which I should like to point out, one which is highly prevalent in my area, is the problem which faces thousands of people in my riding and, of course, in the whole area, who have to go across the border to work in the bush camps of Maine and New Hampshire.

I discussed this matter at length last session and pointed out to the Minister of Labour the situation facing these thousands of bush workers who could not qualify for unemployment insurance benefits.

I understand that agreements now exist between Canada and the states of Vermont and New York, and I urge the Minister of Labour to do whatever is required so that these thousands of people who earn wages in the United States and spend them in Canada may qualify for unemployment insurance.

On this particular point, I hope the hon. members representing this area, who were joined recently by the hon. member for Montmagny-L'Islet, will take a stand on this issue, and will urge the federal government to get in touch with the authorities concerned, in order that an agreement be reached as soon as possible for the benefit of the many citizens of our area.

I also wish to submit to the house a resolution I have received from the local employment advisory committee of Beauce county, urging an increase of the allowable earnings, for the purpose of unemployment insurance. This would have the effect of stimulating the workers' search for employment.

In this same connection, it would help if December were added to January, February and March for the purposes of seasonal unemployment in rural areas and if November were considered the waiting period. These changes would allow contractors to keep their heavy equipment in good repair and would more effectively interest them in the matter.

Last year, the government made a substantial attempt to promote housing construction in this country, but unfortunately, this effort has not been and will not be as successful outside the cities.

Housing capital is largely supplied by life insurance companies, and these are hardly interested in rural investments.

It might be a good thing if the federal government were to guarantee housing loans made by credit unions on the same basis as it does for life insurance companies, so as to favour construction and give all families a chance to become house-owners. Indirectly, this would surely ease the pressure of seasonal unemployment.

In the field of agriculture, recent statements made by the Minister of Agriculture (Mr. Harkness) have puzzled many farmers.

In a Canadian Press dispatch published in *Le Droit*, last November 12, the hon. minister is quoted as saying:

> If surpluses become so large that they can't be disposed of or even, in some cases, given away it will be impossible for us, under the Agricultural Stabilization Act, to keep prices at present level, and even less to increase them.

And the hon. minister added:

> I do not believe that the Canadian people would accept quotas on farm production; my own convictions and those of the government are entirely opposed to such a regimentation of the farming industry.

And the minister goes on to say:

> There is no other choice but educational work, propaganda and the pressure you can put on those you represent, so that they voluntarily refrain from producing more than Canadians are capable of consuming, and than our world export markets are able to absorb.

The minister stated these gloomy findings in connection with the federal-provincial conference of the ministers of agriculture, which took place in Ottawa last November 12.

I do not know which particular product the minister had in mind, but it must be admitted that it is difficult to see how our farmers, either in my riding or in any area of eastern Canada, could possibly cut down their production which in some cases, at this time, already yields them inadequate revenues.

I hope and wish that the government will take every appropriate action to dispose of our farm produce, for if our eastern farmers should decrease their production, I am afraid it would mean the death knell of farming in our area because farmers would not earn enough to stay on the farm.

I cannot possibly talk about agriculture without drawing the attention of the Minister of Agriculture to a problem which exists in and around the constituency of Beauce. Hon. members will not be surprised if I say a few words about maple products.

It certainly will be no surprise if the member from Beauce talks about maple products. Besides, my predecessors have done so in the past, and last session I personally drew

the minister's attention to this matter. If I find it necessary to bring it up again it is because there has been no change in the picture. However, one thing did change, and it seems to me that hon. members of constituencies where maple products are on the increase are less insistent than some of their predecessors in requesting that the government include those prices in the agriculture stabilization act.

I do hope that several members will cooperate and urge the government to make it possible for our farmers to take advantage by next spring of legislation which surely would help them out.

And whatever importance may be attached to the material aspect, one should not overlook the intellectual aspect. It seems to me that a good way to assist in the field of education would be for the government to raise the age limit of those qualifying for family allowances.

Family allowances now range from $5 to $8 a month and stop at age 16, an age when a youth still in school needs them most, and at a time when parents' obligations are heaviest if they want their children to carry on their studies.

It would therefore be most important to provide parents with the means of dealing with the situation, and the best way to do so would be to prolong and increase the family allowances for students, male or female, aged 16 or more, who are carrying on advanced studies.

Such a solution would certainly help many Canadians and facilitate access to high school and university education.

Furthermore, the detailed implementation of such a system would be accepted by all and would not involve any problem of intervention or autonomy, while respecting, under the circumstances, the authority of the parents.

Finally, I should like to make a few remarks about certain points raised in the speech made by the hon. member for Montmagny-L'Islet, particularly in regard to federal-provincial relations and more especially in regard to the province of Quebec.

As a matter of fact, the speech made by the hon. member for Montmagny-L'Islet is, on several points, at variance with statements made by his colleagues of the provincial government in our province.

Among other things, he had this to say about the Colombo Plan:

> That is why I believe that the first duty of the Canadian nation is to accept generously the sacrifices which may be asked of her, sacrifices which will allow us to help those under-developed nations, so that at last they may turn away from communist propaganda, and may once and for all see the light that is being held out to them by the free nations.

Here is now what he had to say about immigration:

> We, in the province of Quebec, have witnessed a complete transformation of our economy, often due to the new Canadians who have come in our midst. In the political field, a mere glance around this house reveals that all Canadians, of whatever origin, have sent here members of different origins, who are a new asset to this parliament.

And then the hon. member added that the province of Quebec was not different from the others, and I quote another passage from his speech:

> I believe, Mr. Speaker, that I express quite frankly and quite sincerely the true feeling of the province of Quebec. The province of Quebec is a province like any other province.

Mr. Fortin: Quite true.

Mr. Racine: I am glad to hear this applause by many members from the province of Quebec when I say that the province of Quebec is like the others. As recently as September 9, 1958, according to a Canadian Press dispatch, the hon. member for Quebec South (Mr. Flynn) stated that Conservative members from the province of Quebec were of the opinion—as are Mr. Duplessis and the provincial cabinet—that federal subsidies were an encroachment on provincial rights in the field of education.

What then shall be done with the millions of dollars earmarked for us if, on the one hand, Quebec is like the other provinces? I wonder why we should not accept those grants. If, on the other hand, the province of Quebec is different from the others, I wonder why Conservative members from that province have not laid down any conditions when, at the last session, those grants were increased.

As far as gifts under the Colombo plan are concerned, why did Conservative members from Quebec, during the last session, vote in favour of an increase while saying in their province that the provincial government gave to Quebec and the federal government to foreign countries?

Mr. Tremblay: This has nothing to do with the matter.

Mr. Racine: There are many questions we could put to Conservative members from Quebec!

Some hon. Members: Put them.

Mr. Meunier: You never answer.

Mr. Racine: It might be well to repeat what the Right Hon. Prime Minister said yesterday when he stated: "they remind me of cuckoos who repeat themselves and whom nobody listens to". This sentence could well be applied to hon. members who are always butting in.

Mr. Johnson: Would the hon. member from Beauce permit a question? I heard him say several times a few moments ago—he even quoted the hon. member from Montmagny-L'Islet (Mr. Fortin) amongst others—that to his mind the province of Quebec was like all other provinces. I would like to know if the hon. member for Beauce shares the views of the hon. member for Montmagny-L'Islet?

Mr. Racine: Mr. Speaker, I shall gladly answer the hon. member who just asked me a question. In the past we did approve the policy of the former Liberal administration; we approved it in the province of Quebec as well as in other parts of the country. We did not have one policy for the province of Quebec and a different policy for the rest of the country.

Some hon. Members: Oh! Oh! Answer the question!

Mr. Racine: Now that we are a province similar to the other provinces, will we take advantage of a piece of legislation passed in 1955 by the Liberal government, providing for the payment of a special financial allowance to the unemployed who have exhausted their unemployment insurance benefits or do not qualify for such benefits? The federal government pays 50 per cent of these allowances which are enjoyed by the provinces other than Quebec.

I also ask the Conservative members of Quebec province whether our province shares in hospital insurance and in the extension of the trans-Canada highway.

An hon. Member: Ask Mr. Jean Lesage.

Mr. Racine: We would be most interested to know the position of Quebec Conservatives on these various matters during the present session.

In a word, to summarize the speech from the throne, I would refer to an editorial which appeared in the *Gazette* of January 19, over the signature of Mr. Arthur Blakely. I quote this statement which, to my mind, contains that which certain Conservative members regard as most important and most interesting:

(Text):

You can bet your bottom dollar that as far as some 175 members who are concerned the most interesting question of the speech from the throne was the one which gave notice of the government's intention to seek the passage of a statute to authorize the appointment of parliamentary secretaries to ministers of the crown.

(Translation):

It is high time that members of the government come out of their lethargy. It is high time that they stop making speeches and take positive steps likely to bring wise and worth-while solutions to the many problems which have spread anxiety and concern among the people of Canada. Let them do that before trying to prove that the government is dealing with existing problems, and is not entirely taken up in playing politics.

Mr. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I wish, first of all, to offer my warmest and sincerest congratulations to the mover and the seconder of the address in reply to the speech from the throne (Mr. Jorgenson and Mr. Fortin). What impressed me most in these two speeches, was first of all the true personality of those two young members. They represent here very dissimilar parts of this country; they have different cultures and professions, different family backgrounds. The member for Provencher (Mr. Jorgenson) is, I think, of Nordic origin; thus, he represents quite gallantly this valiant Scandinavian race from the North and others who have come to this country during the last few years, and particularly since the beginning of the century, and who have contributed, like other groups of this country, to our development. On the other hand, the member for Montmagny-L'Islet (Mr. Fortin) represents the French Canadian race. He is a descendant of the pioneers of this country, whose grandfather and father sat in this very house. One of them represents a western riding, Provencher, in Manitoba, gateway to the great prairies which comprises such a promising area and which is now blessed with a remarkable development. On the other hand, the member for Montmagny-L'Islet represents a riding lying at the very heart of this country. It is linked with the fertile lands of the St. Lawrence river and is quite close to the old capital city of the province of Quebec, close to the citadel which Canadians know, admire and in which they find inspiration.

Those two members have a different culture. One of them, in addition to being

a farmer, is a farm leader who knows how to express himself and who discussed agricultural issues with such accuracy and clarity that it was stated on the floor of the house that his was the best speech made on agricultural problems.

The hon. member for Montmagny-L'Islet is a young lawyer. Although he comes from a family of professional people he has developed an interest in problems encountered in all walks of life.

Those two young men speak different languages, but they speak it with the same accent, the same ideal and the same love for our Canadian country.

That is a living proof, I submit Mr. Speaker, of national unity. Incidentally, it is not by stirring up strife and quarrels such as some members have tried to raise, that national unity which we cherish so much will ever be achieved.

Mr. Speaker, a great leader of our party, and also a great Canadian, one of the makers of this country, one of the fathers of confederation, once said that the Conservative party would be a national one, or would not exist at all. Nowadays it is again the spirit of our party, in the person of a great Canadian, the Right Hon. J. G. Diefenbaker, our present Prime Minister, who was able to introduce unity into this diversity, has restored our country to the rank of nation and will direct her towards the destiny which we know to be in store for her.

This is the reason why we are going to struggle and work to solve the serious problems which face our country today.

Mr. Speaker, wailings and lamentations were not a creation of the Liberals. They have always existed.

If we study the history of an era not so remote, the end of the Middle Ages, the period of great discoveries, for instance the time when the discovery of printing had spread new ideas and also the time when adventurous men looked beyond known frontiers and moved towards the unknown, an era when men were not afraid to go forward and discover America and that era of prosperity, of adventure and of greatness that humanity has known, we note that there existed then, just like today, calamity howlers. Moreover, if we draw nearer to our time, again we find calamity howlers. At the end of the last century, those calamity howlers took pleasure in saying that the end of the world was at hand.

When the first motor vehicle and other such inventions were launched, those calamity howlers then declared: "You cannot make use of those things, because man was made to travel at a maximum speed of 28 miles an hour. If you exceed this limit, you are exposing yourself to danger and you will perish."

However, we now live in the 20th century and we know what progress has brought, not only to Canada, but to the whole world. One thing is remarkable, the more we hear lamentations, the closer and the greater the ensuing progress.

That is why I am inclined to think after hearing the Liberals' continuous wailings ever since we came into office that once again we are on the eve of an era of unheard of progress.

Mr. Speaker, the new members, and I am one of them, are determined to find an adequate solution to the problems now facing us and it seems to me that the amendment moved yesterday by the leader of the official opposition in the house is in no way a program of recovery.

(Text):

Mr. Speaker, at this point I should like to continue in the English language. I wish to put forth the proposition that when the Leader of the Opposition (Mr. Pearson) spoke yesterday and proposed his motion of non-confidence in the government, supported by lengthy arguments and a brilliant discourse, he was not serious but was only fooling. I shall endeavour to establish that premise by arguments which I believe are solidly based.

First of all I wish to make it clear that I would be the last person to attempt to belittle the personality of the Leader of the Opposition. Certainly he has won great renown as an international statesman, diplomat and minister of external affairs. I also know that he is a ball player of some repute.

An hon. Member: Foul ball.

Mr. Martineau: But what is less generally known, I believe, is that the Leader of the Opposition is also an accomplished comedian of more than mediocre talent. He is, I submit a first-class jester. He displayed that talent not only yesterday but on previous occasions and it began to emerge more apparently since he became Leader of the Opposition.

We had yesterday a motion of non-confidence in this government. I seem to recall that just about a year ago, almost to the day, a similar motion was also put forward by the Leader of the Opposition. Do you know what that motion contained? It contained an invitation to the Conservative government to resign its place, to abdicate to the Liberal party, and all of this without the benefit of

an election. We know what became of that joke and we also know the answer the Canadian people gave to it.

Our jester has certainly gained in experience in the last year. The jokes our comedian makes today are somewhat less crude. He is a much more practised comedian although I submit he is still the same old jester, the same old beguiler with his wonderful, engaging and charming smile. And all the time he is painting a dark picture of gloom and despair and listing the catastrophes that are besetting the nation he beams his engaging smile. If these calamities were really about to happen do you not think he should wear a somewhat less happy expression? Should his smile not be replaced with a serious expression of concern? But no, only a smile lights the rather engaging face of the hon. gentleman as he speaks his words of gloom and doom.

In effect the Leader of the Opposition is saying, "Now, fellows, do not take me too seriously. You know I have to tell you all these things. You know what politics are. I do not really believe a word of this." That was certainly evident if you examined with care the words and more particularly the facial expression and the broad smile of the Leader of the Opposition when he spoke yesterday, as I am sure you did, Mr. Speaker. For this reason I repeat that he was only joking yesterday and must not be taken too seriously.

Mr. Habel: Do you think he was joking when Cardinal Leger wrote his pastoral letter?

(Translation):

Mr. Martineau: Mr. Speaker, I think it might be appropriate for me to continue in French, particularly in view of the hon. member's interjection. He has spoken about unemployment. Well, we too are going to speak of unemployment. It is a serious problem. Like the hon. member, I also have read the pastoral letter of His Eminence Cardinal Leger. It is certainly a document full of concern for the lot of the workman. It must, however, be noted that it rises far above partisan politics. That is precisely the position we want to take when speaking of unemployment and our reason for setting the facts in their true light.

Mr. Habel: This is why your leader does not want to hear about it.

Mr. Martineau: Our leader wants to hear about it and we want to discuss it. We wish to co-operate in finding a remedy to end the plague of unemployment. Unemployment was not invented yesterday and does not only exist since 1958, 1957 or even 1956. It is part of our economy. We are a northern country where every year business slows down in the wintertime.

Mr. Denis: You said you were going to settle the matter of unemployment; well, go ahead and do it!

Mr. Martineau: Let me go on with my remarks, please.

Let us go back to the pastoral letter of His Eminence Cardinal Leger. In this letter, His Eminence states that the first responsibility for settling the unemployment crisis lies with the people themselves, i.e. in the co-operation of employers with the labour force. It is the duty of employers, their essential responsibility, to find employment for workers. He also said that it is up to the state to see that an atmosphere most favourable for employment is created. The part played by the state in this unemployment crisis is only that of a supplier. Neither His Eminence the cardinal nor this government ever thought of taking the place of the employer and of hiring collectively the whole unemployed population.

It was stated that nothing was being done to cope with unemployment. An attempt was made to suggest that the Prime Minister was contradicting himself when he stated: "As long as I am prime minister, nobody in this country will suffer from unemployment." It is true that he did say so. But the Prime Minister did not mean there would never be unemployment in this country. He did not say that. That's not what he meant either—

Some hon. Members: Oh! Oh!

Mr. Martineau: —in the construction you put on his words.

Mr. Habel: What did he mean then?

Mr. Martineau: What the Prime Minister did promise, and the promise which he made, which he is anxious to keep is that his government will take every strong measure to remedy unemployment and check its disastrous effects.

Some hon. Members: When?

Mr. Martineau: But what we now see and what we are going to go on witnessing is the spectacle of those who, today, do the greatest disservice to our country by spreading this lack of confidence. The phrase was used by His Eminence the cardinal himself, when he said that the crisis stems mainly from a lack of confidence. And who is responsible for this lack of confidence? Precisely such people as the members of the opposition who do not hesitate to exploit the difficult situation created by unemployment to attain their political ends. You have there the true answer.

(Text):

To continue with the economic picture of our nation at the present time, I should

like to repeat that the Leader of the Opposition again committed grievous sins of omission yesterday when he painted a picture of gloom with regard to our economic condition. After all, in this country we have economists and we have specialists in various departments. They have gauged and they have analyzed the economic trends in this country. As far back as 1957, they predicted a decline in the affairs of our country and yet yesterday the Prime Minister (Mr. Diefenbaker), on the basis of figures that have been verified, could point out that despite those predictions the year 1958 was actually a better year than had been predicted. It cannot be denied that in the year 1958 more Canadians were working, more Canadians earned more, spent more and saved more. When these conditions exist, Mr. Speaker, there are certainly not the gloomy prospects that we are asked to believe in. Moreover, even last year we were one of the few nations that was able to hold its own in foreign trade. Our exports almost matched the record year of 1957. If you analyze the figures, if you analyze department by department and industry by industry, you will find that 1958 was one of the greatest years in our history since confederation. I am sure that when we compare the statistics in the years to come we shall find that 1958 will certainly not rank among the dark years of our history.

Mr. Winch: What can a dead man do with a statistic? There are 449,000 out of work. How about that? Is he just a statistic when he is dead and buried?

Mr. Martineau: Another proof of the levity of members of the opposition is seen when they talk about inflation, when they tell you that it is terrible and that we have a shrinking dollar. It is true that the value of the dollar may be shrinking; no one refutes it. The Leader of the Opposition said that someone had placed an inflationary time bomb under our economy. I would like to point out that time bombs take quite a while to explode, and that time bomb was planted there many years ago and we are beginning to feel some of the effects of that inflationary time bomb which was placed under our economy by an administration which had been in power for 22 years.

Then, Mr. Speaker, they tell us that we must cut down on expenses; we must reduce taxes. They also say that we must increase social benefits; we must increase defence spending; we must do all kinds of things, and yet they allude to some of the difficult problems which have been created in the economic life of this country. These problems are found not only in this country but in all modern countries. A great struggle is going on and a great battle has been joined. Some members of the opposition do not seem to have taken stock of that reality.

Mr. Winch: Including yourself.

Mr. Martineau: Perhaps, Mr. Speaker, I have not found the solution, but at least I am trying to look the facts squarely in the face.

Today, we have recurring unemployment. We also have a threat of inflation. We have serious defence decisions to make as a result of situations beyond our control. We must think, first of all, about automation in industry, and of the spectacular revolution that has occurred during the last few years in production methods. What remedies are the members of the opposition going to suggest for the problem of automation? What suggestions have they for putting an end to the spiral of rising costs, often driven upwards by the excessive demands of unions. How are they going to counter the effects on international trade of the new common European market? How are they going to counter the effects of the resurgence of these new industrial giants of Western Germany and Japan? How are they going to ascertain how to pacify these new nations of Asia? Even more important, Mr. Speaker, what suggestions have the members of the opposition put forth to solve the trade war which has been launched by soviet Russia?

These are the real facts at the bottom of the crisis, if the word is not too strong, that exists in the Canadian economy today, and not only in the Canadian economy but in the economy of the western world. Yesterday the opposition said that the government had made a mess of defence.

Some hon. Members: Hear, hear.

Mr. Martineau: I submit that the only messy thing about defence right now is the way the opposition has tried to use a very, very important decision this government must make in order to gain political ends; that is the messy part. The only fault the opposition had to find with the government in so far as defence is concerned is that there may have been some delay in arriving at a decision on the production of the CF-105; that is the only reproach that can be made by the opposition. However, the majority of opposition members admit that the decision must be serious; that its effects will be felt not only today, not only in the next election, but for generations to come. Do they

also admit that revolutionary changes are occurring in defence and in defence production? Nobody but a stark-eyed lunatic would refuse to admit that defence methods are changing. Every day and every week we read about and we see the discoveries brought about by nuclear science.

We see the arrival of the space age and space travel. We see the intercontinental missile being thrown all about this planet. Not only is this planet being threatened by invasion, but also other planets and other systems. These things are not fancies, are not dreams. When you look up at the sky, you see these new engines that are girdling this globe. I submit that under such circumstances any decision taken concerning the production of manned interceptors, the Bomarc missile and so on, must be taken only after the utmost scrutiny.

There are other problems involved. There is the problem, for instance, of safeguarding our sovereignty. What suggestions will the opposition make to the government for safeguarding our sovereignty in a world that has suddenly shrunk in the way it has? What limits must be placed on defence expenditures today, having regard to the resources of our country? These are the reasons why it is most wise, before the final, irrevocable decision is taken, that careful consideration be given to these matters; that is what we are doing.

In conclusion, Mr. Speaker, the proof that the Leader of the Opposition was joking yesterday when he painted the gloomy picture he did paint is found in the type of speech which he made. He was asked by members of the government, what are your proposals? He said that proposals are not made by us; we are the opposition. It is not up to us to suggest remedies to today's problems. That may be true, it is no doubt true, but I submit that if the dire emergency which was outlined to us yesterday really exists then it is the sacred duty of the members of the opposition not to make political capital of it but to come out in the open and make suggestions for improvement.

Mr. Winch: What do you think you have been doing for the last 40 minutes?

Mr. Martineau: I have been probing the climate in a serious and sincere attempt to try to find answers to our problems. If the population of Canada has relegated both opposition parties to the miserably small space they occupy in this house, it is because those parties tried for too long to fool the people. This reminds me of the words of Abraham Lincoln who stated:

—you may fool all the people some of the time; you can even fool some of the people all the time; but you can't fool all the people all the time.

[Mr. Martineau.]

There was a declaration made in the press a few days before this session started by members of the opposition who said that this is going to be a fighting session. The manner in which they have acted so far has not indicated any fighting, but I can assure you there will certainly be fighting done by members of this party. They will be fighting, not to establish position for the next general election but they will be fighting to find a real solution to the problems of this country. The other day I saw an article which was not the result of any vision by the Prime Minister or any members of the government, but of hard thinking of a political journalist in Britain. The article was reproduced in the Ottawa *Journal* and it was entitled "1999". It was stated that by 1999 our country will—

An hon. Member: We will all be dead.

Mr. Martineau: No, not all—our country will have a population of some 70 million. It will be inhabited by a vigorous, forward-looking and adventuresome population such as that which we have today. It will be the envy of the world. In his heart of hearts the Leader of the Opposition, who is most certainly an intelligent man and a great Canadian, I am sure knows that that is true. He knows that our country is the envy of the world. We know that we have problems. Today the problem may be unemployment; tomorrow it may be inflation or a combination of both. But nevertheless we on this side of the house have found something which is precious, something which will not fall apart. I refer to the union of the best forces and the best brains of this country in order to find a solution to our problems so that we may forge ahead. May I assure you, Mr. Speaker, that if anyone is swinging hula hoops by the time the next election rolls around, it will be members of the opposition.

(Translation):

Mr. Gabriel Roberge (Megantic): Mr. Speaker, in taking part in the debate on the address in reply to the speech from the throne, I am sure it will be proper for me to congratulate both the mover and the seconder (Messrs. Jorgenson and Fortin.)

The hon. member for Provencher, speaking with moderation, endeavoured, above all, to outline and praise the agricultural policy of the government.

I was particularly pleased with the speech of the hon. member who supported the address, the new representative for Montmagny-L'Islet. I was equally pleased to read it over in the official record. I had the

honour to meet him during the by-elections but, as you will readily understand, Mr. Speaker, we were not on the same hustings. The new member made a courageous speech and we, from this side of the house, were particularly happy to hear a different note from the one we had heard in the past, both here and outside this house.

Most particularly, I wish to convey my sympathy to the families of members who have passed on. I want to associate myself with all my predecessors in congratulating the newly elected members and, you will understand, more particularly the hon. member for Trinity (Mr. Hellyer).

While listening to the hon. member who spoke before me, I thought it proper to make a brief incursion into the political history of Canada. Thus I realized that from 1896 to 1911, the Liberal party was sitting on the other side—

Mr. Parizeau: Unfortunately.

Mr. Roberge: The same situation prevailed from 1922 to 1930 and from 1935 to 1957.

Mr. Parizeau: That was when disaster broke out!

Mr. Tremblay: What a marvellous historian!

Mr. Roberge: During those periods, Canadians have known eras of prosperity as they had never known before. However, if we recall those periods during which a Conservative government was presiding over the destinies of the nation, we realize that we have lost ground during the period from 1911 to 1921. We found ourselves in the depths of an abyss from 1930 to 1935, and unfortunately, we are sinking again at the present time.

Mr. Speaker, there was talk, recently, about the function of the government and of the opposition. I just happened to read today, I believe it was in the *Citizen*, that the role of the opposition, as defined by the present Prime Minister, is "Hit hard, hit always". We intend to do just that. That is what we have been doing since this session started, and that is what we will continue to do. We will play our part as Her Majesty's opposition.

Mr. Ricard: That suits us fine.

Mr. Roberge: Mr. Speaker, we have reached mid-January, and so far this winter, there have been heavy snowfalls in the province of Quebec, as in the rest of the country.

Mr. Tremblay: Listen to the great historian!

Mr. Roberge: Spring will soon be here—

Mr. Tremblay: What an amazing historian!

Mr. Roberge: Mr. Speaker, I would have thought that a university professor, particularly a professor of French, would show more intelligence and perhaps better manners.

As I was saying, before I was interrupted, that spring will soon be here, which is a fact—

Mr. Tremblay: That is something new.

Mr. Roberge: The hon. member for Roberval is also something new in this house.

As I was saying, Mr. Speaker, the province of Quebec particularly, and part of Ontario, part of Nova Scotia and part of New Brunswick are approaching what we, at home, term the sugar season, an event which is of no interest to the member for Roberval.

An hon. Member: He has never heard of it.

Mr. Roberge: Last year, my colleague and neighbour, the hon. member for Beauce (Mr. Racine), and myself discussed this matter of maple products, and we called for something which we feel would benefit producers of maple products.

The members from the Quebec area, and not those from Lake St. John, used to rise here to call the attention of the government to the problems facing maple producers. I regret, as my hon. colleague a few moments ago, that last year we were alone, I believe, in making representations on behalf of maple sugar producers. The member for Bellechasse (Mr. Dorion) and the member for Dorchester (Mr. Drouin) could have very well dealt with this problem, since the farmers in their respective ridings are affected like the farmers in our districts.

I will not repeat the statistics that I put on record last year at pages 2947 and 2948 of the English text of *Hansard*. The speech is published in French on those pages and since the hon. member for Roberval (Mr. Tremblay) can read French, I invite him to read them.

Mr. Tremblay: I do not understand that brand of French.

Mr. Roberge: May I say however that, last year, as the year before, the production was mainly of maple syrup rather than of maple sugar. Perhaps the member for Roberval would like to sweeten his tongue. I may say also that the marketing of last year's production was perhaps more difficult than the year before.

We have here, Mr. Speaker, a difficult problem, and the government should tackle it right now. The maple season will start in late February or early March and, while I am no expert in the matter, judging by the quantity of snow that has fallen and by the present temperature, I feel we should have a pretty good crop.

So much the better! But, let us not forget that if the trend of past years increases, those products will not be so easily disposed of and our farmers, this spring, will consider either giving up production or a cut down in production, for if they have to keep their sugar all summer they will sustain a heavy loss.

The various solutions that come to mind would probably not bring any definite results, but would be at least temporary measures that would help maple sugar producers both in the province of Quebec and in the parts of the other three provinces who are engaged in this industry.

I can do no better than to repeat, at least in part, what I said last year concerning those different solutions and I refer to pages 2947 and 2948 of *Hansard* of August 1, 1958.

Here is what I had to say:

In fact, I have realized that the best way to facilitate the marketing of maple products was to carry on a proper sales promotion campaign on a national scale, not one limited solely to the province of Quebec. The campaign might also extend beyond our own borders.

That is why I think that every Canadian citizen should be able to buy those maple products at his local grocery or supermarket. No better way can he find of satisfying his palate.

And, may I add, the palate of the member for Roberval.

In doing so the consumer would help to a considerable extent those farmers who, each spring, are engaged in this particular phase of agricultural operations.

And I quote again:

Mr. Chairman, the central government should take particular interest in a sales promotion campaign of this type. This matter could be considered at meetings between provincial and federal agricultural ministers. In this way an integrated sales promotion effort could be launched in all provinces to the advantage of farmers engaged in the production of maple syrup or maple sugar.

There is another way of helping the maple producers and that is through price support. This might not perhaps be fully efficient, in view of the ups and downs of the market, but it would be a good thing, in my opinion, and not later than this year—

Because, since last year, I can say not later than this year—

—to establish a support price for maple products. This would allow farmers engaged in maple product industry to make both ends meet and earn enough to meet their production costs. If the support price I am suggesting were inefficient—as I fear it would be—it could be replaced by an adjustment grant on deficiency payment.

In my opinion—

And I am still quoting from my speech of last year.

—it would be proper to extend throughout the whole country the price adjustment legislation enjoyed by prairie farmers.

As I see it, it is not just the western farmers who should derive benefit, as at present, from the Prairie Farm Assistance Act; all our farmers should enjoy these adjustment grants. This would not only mean that the maple industry farmer would be just as sure of obtaining deficiency payments for his maple, but also that during unproductive years he would have the incentive to work on his maple trees—and also to hire helpers (for it is only fair to bear in mind that often, in such years, he works all around the clock). In this way he could increase his annual income, and could more easily make ends meet.

I note in the speech from the throne the following sentence about the measures that the government wants to adopt in the field of agriculture.

A measure will be laid before you to institute a system of crop insurance in co-operation with such provinces as so desire.

The province of Quebec being now a province like any other, as repeated by the member for Montmagny-L'Islet, after the Right Hon. Louis St. Laurent, I hope that the government will be in a position to include maple products in the crop insurance plan and that the government of the province of Quebec, with the recommendation of its friends in Ottawa, will decide to co-operate in this regard.

Incidentally, may I congratulate the Minister of Agriculture (Mr. Harkness) for considering the extension of crop insurance legislation to all provinces.

Allow me, Mr. Speaker, to touch upon the employment situation in my riding of Megantic which, as I mentioned last year, is half urban and half rural. The employment situation in our industrial towns is no better in 1959 than it was at the same period in 1958. I therefore urge the government to take action to correct this situation. Personally, I do not believe that the winter works program offered to municipalities settles the matter, but I hope nevertheless that the forecast made by the Minister of Labour (Mr. Starr) will come true.

(Text):

Mr. Starr: Mr. Speaker, would the hon. member permit a question? Does the hon. member know that the number of unemployed in Megantic this year is more than 300 below the number at the same time last year?

Mr. Chevrier: But in the province of Quebec unemployment is worse than in any other region.

Mr. Starr: He is talking about his riding.

Mr. Chevrier: Does the minister not know that?

Mr. Starr: Mr. Speaker—

An hon. Member: Who has got the floor?

Some hon. Members: Order.

Mr. Speaker: The hon. member for Megantic has the floor?

Mr. Pickersgill: Let the minister make his own speech.

Mr. Pallett: He is just getting the right figures on the record. That is all.

Mr. Bell (Carleton): There will be nothing left for you to say when he is through.

(Translation):

Mr. Roberge: I know, Mr. Speaker, that at the unemployment office in Thetford Mines, there are perhaps less unemployed than last year, and also that the Minister of Labour is aware that a section of the constituency of Megantic comes under the Victoriaville office; and then there is no way of striking a proportion. Another part of Megantic comes under the Lac Megantic office, in the constituency of Compton-Frontenac. I repeat, Mr. Speaker, that I hope that the prediction made by the Minister of Labour this morning will come true.

I must say, Mr. Speaker, that there is a huge difference between what government supporters said in 1957 and 1958 and what the government has done in many fields since it took power. What I just said applies most especially in the province of Quebec where, unfortunately, the keynote of both the 1957 and 1958 campaigns was a far cry from what it was in other provinces.

It is particularly true in the field of dominion-provincial relations. Throughout the electoral campaign of 1957, the Prime Minister and his colleagues at the time kept repeating that once in power they would immediately settle that question of the fiscal relations between the dominion and the provinces.

Before that period, on January 18, 1957, the present Prime Minister who was then leader of the opposition, dealt with the matter during a debate on a resolution to present legislation providing for the establishment of a council for the advancement of the arts, humanities and social sciences in Canada. This is what he said, as can be seen in *Hansard*, page 400 of the English edition:

> What is envisaged here will simply postpone the day. The whole question of dominion-provincial relations will have to be faced.

Criticizing the government of the Right Hon. Louis St. Laurent, the then leader of the opposition added:

> We simply postpone again facing the problem that must be faced in this country, a problem which cannot be faced by bits and pieces, but which must be faced at an early date.

Hence the promises and statements throughout the country on the matter, which I have mentioned before and which, as a matter of fact, my leader has discussed in his eloquent indictment of the government, last Monday.

What did the government do by way of keeping its promises? A conference was held on November 25 and 26, 1957, a little more than five months after the 1957 election, a conference which—so the Canadian people had been told—was to settle all taxation problems facing the federal government and the provinces. At that conference, the provinces made their representations and claims. At the end of the meeting, the Minister of Finance said it was impossible to grant what the provinces were asking. And, at that time, a solemn promise was made to the effect that a new conference would be held in January 1958.

What happened on that date? Has any conference been held in accordance with the promises made and the solemn pledge taken? On the contrary, a mere telegram, as was recalled by the Leader of the Opposition, was sent to the provincial premiers, saying: "Here is what the federal government is doing or has decided to do." A unilateral conference and, if I may add, a one-party conference. Were the provinces satisfied with that arrangement? Certainly not, if we go by the comments of the provincial leaders of that time. The same promises were made on the occasion of a new election. Did a new conference take place? Not at all.

The speech from the throne however tells us that the government intends to do something to solve those problems. But how are they doing it? Once again unilaterally. Let me quote the relevant part of the speech from the throne, on page 3 of *Hansard*. It reads:

> My government will recommend an amendment to the Federal-Provincial Tax Sharing Arrangements Act to extend for another year the increase made last year in the provincial share of personal income tax revenue.

My government proposes that the entire subject of financial relations between the dominion and the provinces shall receive continued active co-operative study. All provincial governments are being asked to agree to the use, for this purpose, of the machinery of the existing federal-provincial continuing committee on fiscal and economic matters working under the direction of a committee consisting of the Minister of Finance and all provincial treasurers.

On the same day, January 15, the Prime Minister wrote to the premiers of the different provinces, simply quoting this sentence from the speech from the throne, and inviting the provincial treasurers to co-operate with the Minister of Finance within the continuing federal-provincial committee on fiscal and economic matters.

We are very far, Mr. Speaker, from the statement made by the then leader of the opposition on January 18, 1957, which I quoted earlier. Again, it is the *statu quo;* the government hesitates, takes indifferent action, and fails to face the problem squarely. These are new contradictions between election speeches and the action taken.

To this problem of fiscal relations, Mr. Speaker, is related another problem that is essential to our cultural development, that of the assistance to be given to the institutions of higher learning. I spoke briefly on that matter last year and I would like now to discuss it further, and express the opinion not of a jurist, but of a lawyer who thinks that constitutions are made to be changed rather than to remain static. I feel I should repeat now what I said last year. I refer to *Hansard* of May 22, 1958:

The right to education belongs first of all to our children and should not depend on the financial means of their parents but on the young people's talent and future opportunities. With regard to this right there is, of course a corresponding obligation on behalf of parents to provide this education. The state however should play a supplementary part, which belongs in the first place to the provinces.

However, in 1958, when science is fast developing, when artificial moons circle around the earth, when long range missiles can be launched farther and farther, education is becoming more and more an intercontinental problem, and at least an interprovincial problem. I do not see any reason why the central power should not contribute its share in this field, without infringing upon the rights of parents and of the provinces.

If we must give assistance to the children who want to go to university, it is also imperative to assist our universities themselves, which at the present time all complain of lack of funds.

In this respect, the Liberal government of the right honourable Louis St. Laurent had provided a sizeable financial help to universities; but, unfortunately, the universities of my province have been able to benefit from those grants only once.

And later, I said:

As far as the children are concerned, the federal government could, while respecting the autonomy of the provinces as well as the rights of the parents in the field of education, as I have already said, give substantial assistance to those who have talent, as well as the will to succeed and to prepare adequately for the future. This government help could well be implemented through the agency of the national conference of Canadian universities. The government would then have no control whatever over anything save over the amounts which it could put at the disposal of that conference.

In this regard, Mr. Speaker, there is always that complicated problem of provincial autonomy in the field of education. It seems now that there is unanimity on that matter and that federal aid to the institutions of higher learning is not an infringement of provincial rights in matters of education since the provinces retain the right to control and supervise the establishment of institutions and the drawing up of programs in certain matters. Going back to September 4, 1958, we see that members of all parties voted the appropriations asked by the Minister of Finance for help to the universities. In fact, a vote was taken in committee and there was no dissenting voice.

Two days later, the Minister of Finance asked that this appropriation be increased by 50 cents per capita or from $1 as it stood, to $1.50. The hon. minister stated on that occasion that his government would always respect the autonomy of the provinces in this matter. This statement is in no way contrary to all the statements made in the past by the Right. Hon. Louis St. Laurent when this appropriation was introduced for the first time in 1951, and was voted every year thereafter.

Since 1951, therefore, all universities throughout the country have been able to receive from the central government, either directly or through the national conference of Canadian universities, or through the provinces, quite a substantial amount out of taxes collected by the central government. Therefore, we find that only the universities of the province of Quebec have been unable to receive their share, except in one instance.

From a practical point of view, the problem is therefore still with us, and I feel I must lay stress on two aspects of this problem, first the legal side, and second the practical side.

I read with close attention the brilliant speech made last year, on September 4, 1958, by my colleague from Hull (Mr. Caron)—

Mr. Tremblay: Brilliant!

Mr. Roberge: —a speech—

Mr. Tremblay: A masterpiece of ignorance.

Mr. Caron: Tremble, the ground is splitting open under your feet.

Mr. Roberge: This speech contained a number of statements and quotations, and I do not intend to repeat these statements and these arguments here, although it might do some good to a certain member.

I wish, however, to put on the record a personal interpretation which I think is valid, whatever the hon. member for Roberval may think, and which, I trust, will be agreed to by all members of this house, and by all those who are interested in the matter of federal grants to institutions of higher learning.

It cannot be denied that the provinces have a fundamental right in the field of education. However, I believe it can truly be said and reiterated that all governments have the responsibility to give assistance.

On January 18, 1957, during that same debate I mentioned a moment ago, the Right Honourable Louis St. Laurent, in expressing his opinion on this matter, made the following statement as reported on page 398 of *Hansard*.

> But at the same time we recognize that the wealth of the mind expressed in the arts, humanities and social sciences is not a private prerogative but may rightfully belong to all people who wish to seek for it. Therefore it seems to me that governments have a duty to assume some responsibility of providing not control and direction of the arts but leadership in making available the assistance which is so greatly needed.

When we look closely at Section 93 of the British North America Act, we have reason to believe that the fathers of confederation, in 1867, could not foresee and in fact did not foresee what the situation would be in 1950. Actually, the main paragraph provides that the legislatures shall be allowed to enact exclusively legislation in the field of education, on and in accordance with the following conditions. Four paragraphs follow, of which the first three refer to separate or dissident schools, and to school trustees. One readily realizes that, at the time, schools and not institutions of higher learning were considered. Besides, if I am not mistaken, universities at the time were private institutions. At least, it is a well known fact, in so far as the province of Quebec is concerned, where, for instance, Laval University had been established in 1852 by the Quebec Seminary. In 1867, that university had but a few faculties, namely Law, Medicine and Theology. Therefore, I repeat that in my opinion the fathers of confederation, in good faith, did not think in terms of universities, when section 93 was enacted.

The following legal point is now raised: Has the federal government the right to levy taxes, and then earmark part of those funds to help universities? Or else, to put it differently, have the provinces alone the right to financially help institutions of higher learning?

I must say, at this point, that I am not approaching the matter from the standpoint of autonomy or centralization, but that I am merely trying to find new arguments to solve the problem. Section 91, paragraph 3, of the British North America Act, gives the following right to the central government:

> The raising of money by any mode or system of taxation.

On the other hand, section 92, paragraph 2, gives the following right to the provinces:

> Direct taxations within the province in order to the raising of revenue for provincial purposes.

Therefore, it seems that the provincial right of taxation is limited to the levying of funds for provincial purposes.

On the other hand, section 91, paragraph 3, makes no restriction.

Therefore, I believe that one may draw the conclusion that the federal government has always the right to financially help the provinces through subsidies—besides, that was one of the foundations of the confederative act—and also to financially help the institutions located in the provinces.

This right may as a matter of fact be reversed, and nothing is said about a province not being entitled to help the institutions of the neighbouring provinces. In any way, this has been done in several cases. I do not think I am mistaken when I say that all funds provided by federal taxation are converted in the consolidated revenue fund. It is then up to this house to decide in which manner these funds will be distributed.

In concluding this part of my remarks, I hope that my fellow lawyers, particularly those from my province, will take my comments in good part, because I am making them in good faith. I also hope that my speech will not exclude any other discussion and I trust that others will also deal with the matter.

I am now coming to the practical side of the assistance for our universities. Is that assistance necessary or superfluous? May I quote again the resolution voted by the national conference of Canadian universities in 1956:

> Resolved: that the representatives of Canada, having given full consideration to the matter, express the opinion that it is their responsibility to give urgent warning to the people of our country

that the problem facing the universities has taken the proportion of a serious national crisis, which is indeed jeopardizing the advance of our country and its place amongst the nations of the world. They also are of the opinion that only an immediate and vigorous intervention and the co-operation of all governments in our country, of business, industry and private employers will solve this problem.

I also would like to quote part of what Mr. N. M. A. MacKenzie said in "Government Support of the Universities":

From these important viewpoints, the universities are an essential element of our provincial institutions and therefore have to seek an important part of their financial resources on the local and provincial levels. However, it cannot be said that the work of a university is circumscribed by the boundaries of a province, neither with regard to its scope nor with regard to its significance. There is not a single great university in our country which does not take students from all provinces. In some cases, students coming from other provinces can make up a third of the student body. Likewise, the graduates of our universities are scattered throughout our national territory.

I shall not quote further for time is short. Consequently, it is undeniable that the universities lack not only money, space, and the necessary equipment for education but they also lack personnel.

In view of the arguments submitted and the extraordinary scientific development which has taken place, the federal government cannot turn a deaf ear to this appeal by the institutions of higher learning. The government and especially the Conservative members of the province of Quebec must do everything in their power so that the institutions of the province of Quebec may benefit from those funds which are at present available to them.

As the Right Hon. Louis St. Laurent once said: "Quebec is a province like the other provinces." We recall how sharply he was criticized at the time by his opponents, especially in his own province.

"Quebec is a province like the other provinces", the hon. member for Montmagny-L'Islet stated last Friday. I am convinced that he does not regret that statement. I am also convinced that with his talent and his capacity for persuasion, he will succeed in persuading his colleagues really to set down to work and to solve that question which is so close to our hearts.

I remember that in the early part of last September, the member for Quebec South (Mr. Flynn) stated that federal assistance to institutions of higher learning could perhaps take the form of assistance to scientific research or to construction. The point is not to seek reasons for or means of evading the question, but to consider it squarely with courage and with the same good faith which inspired the fathers of confederation in 1867.

We all hope to see a true form of Canadianism develop in this country. No particular group favours the assimilation of other groups, but all favour the enrichment of the nation through the diversity of cultural contributions.

If all are agreed that from a practical point of view, as was proved in this house last year, the federal government must do its share to help this enrichment process and to develop Canadian culture, there should, I think, be a way to reach unanimous agreement from a legal point of view.

I said that the Minister of Finance and the provincial treasurers have been asked to get together. When this happens, and I hope it will be soon, they will have to discuss this matter. If there is any doubt as to the interpretation to be given to the Canadian constitution, let us take the necessary means either to clarify it or to amend it accordingly.

Those who founded Canada in 1867 did not fear to take their responsibilities. We, their sons, and those who now direct the course of the nation and of the provinces, must not lack courage and refuse to find solutions.

When the matter is finally settled, Canadians, whatever their origin, will continue to live together, to enrich one another intellectually and will contribute to give this country the choice position it deserves.

(Text):

Mr. M. D. Morton (Davenport): Mr. Speaker, I would like to add my congratulations to the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne on their clear thinking and on their clear delivery. I would like also to add my congratulations to the new members from Grenville-Dundas, Montmagny-L'Islet and Springfield. Of course, I must include my friend and former opponent in Davenport, the hon. member for Trinity (Mr. Hellyer). I regret that he is sitting on the Liberal side of the house but I hope that we may pursue our political differences on the floor of this house at the same high level that we were able to pursue them in the constituency of Davenport.

I note with some satisfaction, Mr. Speaker, the theme of the speech from the throne and that many of the hon. members who have spoken recognize the urgency and the importance of the threat of communism to our

way of life and also the importance of meeting the competition of Russia and her satellites. We must unfortunately accept the premise that the Russians intend to spread their version of communism throughout the world. It is not necessarily a struggle which will culminate in an armed conflict although we must be prepared for that military eventuality. The main issue will be on the economic and scientific front. When we consider the scientific and economic front, it is not my purpose at this time to count our many blessings but to speak briefly on two problems which show our system to disadvantage. The question is whether we can today by self-discipline, co-operative planning and hard work do what the Russians and communist China are doing by compulsion. In many ways we still maintain advantages. We start off with better economic conditions; the individual is given more respect.

The two problems which I wish specifically to mention are those of recurring unemployment and the needs of our educational system. It is not sufficient for the opposition to taunt us with not solving the unemployment problem in one year and a half. It is no answer for the Leader of the Opposition (Mr. Pearson) to pussyfoot on both sides of the economic fence as to whether we should solve unemployment or inflation. The record of the former Liberal government is not such that they can sit back in a hypocritical and complacent attitude and heap ridicule on the present government. We recall the past crisis. The great depression is mentioned in the royal commission on Canada's economic prospects, the depression of 1929 to 1933, the recession in 1937 and 1938, the recession in 1953 and 1954 and the recession that started in 1957. Who was in power at that time? The Liberals. Therefore, they knew unemployment was a recurring problem. Yet, in the 25 years, with their lengthy experience and their brain trust, they did nothing to solve either unemployment or inflation. Now they expect us to solve in one-half year what they could not do in 25 years. I thank them for the compliment of expecting us to be able to do it.

We cannot solve this problem, Mr. Speaker, by hurling abuse across the floor as to who is to blame.

Mr. Chevrier: You are doing pretty well.

Mr. Morton: I am reminding hon. gentlemen opposite that when they hurl abuse at us they must look at their own record.

Our Minister of Labour (Mr. Starr), with the co-operation of the various groups across the dominion, has been endeavouring to set up temporary work programs to ease the periodic unemployment. Our ministers have been on trade missions; they have been busy in trade conferences. However, Mr. Speaker, I think all of us must admit that public works programs, essential as they are, are not the entire answer. They are like an aspirin to deaden the pain of a headache but they do not solve the problem. I think there is a challenge, as there never was a challenge before, to the various labour leaders, industrial leaders, manufacturers and political leaders of all levels of government to sit down with specialists to consider the problems that create unemployment.

The problem is how to produce without pricing ourselves not only out of our own market but out of the markets of the world. Employment depends on trade and the ability to sell our services and products at competitive prices in Canada and abroad.

On motion of Mr. Morton the debate was adjourned.

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

Questions

ANSWERS TO QUESTIONS

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

EMERGENCY GOLD MINING ASSISTANCE—
ENGINEERING INSPECTIONS

Question No. 18—**Mr. Fisher:**

1. Did an inspection engineer of the Department of Mines and Technical Surveys visit the following mines in 1958 in connection with the administration of the Emergency Gold Mining Assistance Act: Cochenour Willans Gold Mines Limited; Dome Mines Limited; Hollinger Consolidated Gold Mines Limited (Hollinger); Hollinger Consolidated Gold Mines Limited (Ross); Aunor Gold Mines Limited; Delnite Mines Limited; Kirkland Minerals Corporation Limited; Lake Shore Mines Limited; MacLeod-Cockshutt Gold Mines Limited; McIntyre Porcupine Mines Limited; McKenzie Red Lake Gold Mines Limited; New Dickinson Mines Limited; Pamour Porcupine Mines Limited; Pickle Crow Gold Mines Limited; Preston East Dome Mines Limited; Renabie Mines Limited; Starratt-Olsen Gold Mines Limited; Sylvanite Gold Mines Limited; Tech-Hughes Gold Mines Limited; Upper Canada Mines Limited?

2. If so, what were the names of the inspectors, the dates of their visits and the duration of their visits?

3. What were the technical qualifications of the inspectors?

4. At how many of these mines in 1958 did the inspectors enter upon and examine the underground works and premises?

5. What mines were so entered and examined in 1958?

Answer by: **Hon. Paul Comtois (Minister of Mines and Technical Surveys):**

1. Yes, with the exception of Starratt-Olsen Gold Mines Limited which ceased operating in July, 1956.

2.

Mine	Name of inspection engineer	Date of visit
Cochenour Willans Gold Mines Limited	J. W. Patterson	April 8
Dome Mines Limited	T. W. Verity	Feb. 27
Hollinger Consolidated Gold Mines Limited (Hollinger)	T. W. Verity	Feb. 28
Hollinger Consolidated Gold Mines Limited (Ross)	T. W. Verity	Feb. 25
Aunor Gold Mines Limited	T. W. Verity	March 1
Delnite Mines Limited	T. W. Verity	March 3
Kirkland Minerals Corporation Limited	T. W. Verity	March 4
Lake Shore Mines Limited	T. W. Verity	March 4
MacLeod-Cockshutt Gold Mines Limited	J. W. Patterson	March 31
McIntyre Porcupine Mines Limited	T. W. Verity	Feb. 28
McKenzie Red Lake Gold Mines Limited	J. W. Patterson	April 8
New Dickenson Mines Limited	J. W. Patterson	April 9
Pamour Porcupine Mines Limited	T. W. Verity	Feb. 26
Pickle Crow Gold Mines Limited	J. W. Patterson	April 1
Preston East Dome Mines Limited	T. W. Verity	Feb. 27
Renabie Mines Limited	J. W. Patterson	April 14
Sylvanite Gold Mines Limited	T. W. Verity	March 5
Tech-Hughes Gold Mines Limited	T. W. Verity	March 4
Upper Canada Mines Limited	T. W. Verity	March 5

The duration of each visit was generally half a day.

3. The inspection engineers are graduates of Canadian universities in mining engineering and mining geology with several years experience in underground mining practice.

4. Of the mines listed under 2 above, none were examined underground.

5. During the inspection of the San Antonio Gold Mines Limited property at Bissett, and the Britannia Mining and Smelting Company Limited mine at Snow Lake, Manitoba, an underground visit was made by the inspection engineer.

MUNICIPAL GRANTS ACT, B.C.

Question No. 19—**Mr. Howard:**

1. For each of the years 1957 and 1958, and with respect to grants pursuant to the Municipal Grants Act and for each of the village municipalities of Terrace, Smithers, Hazelton, Telkwa, Stewart, Houston and Burns Lake; the city of Prince Rupert and the district of Kitimat, what was; (a) the accepted value of the federal government's property; (b) the amount of the grant; (c) the dates upon which the grant was paid or if paid by instalments, the amount of the instalments and the date upon which they were paid?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. Of the municipalities listed, no grant is payable to the village municipalities of Terrace, Hazelton, Telkwa, Stewart and Houston.

Grants paid under the Municipal Grants Act to the other municipalities are:

Name of Municipality	Year to which grant relates	(a) Accepted value of federal property	(b) and (c) Payment and date
Village of Smithers	1957	$ 82,680	$ 2,165 Sept. 16, 1957
	1958	82,680	2,081 Oct. 30, 1958
Village of Burns Lake	1957	5,400	158 Sept. 16, 1957
	1958	grant not yet paid	
City of Prince Rupert	1957	448,205	10,000 Feb. 6, 1958
			6,557 Nov. 4, 1958
	1958	456,935	18,829 Nov. 4, 1958
District of Kitimat	1957	112,338	3,302 Nov. 12, 1957
	1958	118,250	3,646 Dec. 19, 1958

HOUSE OF COMMONS

Wednesday, January 21, 1959

The house met at 2.30 p.m.

UNITED NATIONS

CANADIAN REPRESENTATION AT GENEVA WHEAT CONFERENCE

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I should like to make an announcement with regard to the United Nations wheat conference, the second session of which will be convened at Geneva on January 27, and Canada will be represented there by a strong delegation.

The first session was held at Geneva from October 28 to November 7, 1958, and was attended by 41 countries as members and 9 as observers. They discussed ways and means of meeting current world wheat problems through an international wheat agreement. A preparatory committee was formed to consider the proposals that were advanced, and to submit its conclusions for the consideration of government representatives at the second session.

The Canadian delegation will be headed by Mr. J. H. Warren, assistant deputy minister of trade and commerce. Alternate delegates on the Canadian delegation are Mr. W. Riddel, assistant chief commissioner of the Canadian wheat board, Winnipeg, Manitoba; and Dr. C. F. Wilson, commercial counsellor at the Canadian embassy in Copenhagen, Denmark.

Official advisers on the delegation are Mr. C. B. Davidson, executive assistant, the Canadian wheat board, Winnipeg, Manitoba; Mr. R. M. Esdale, assistant chief, grain division, Department of Trade and Commerce, Ottawa; Mr. J. B. Lawrie, European manager, the Canadian wheat board, London, England; and Mr. W. Frank Stone, first secretary, permanent mission of Canada to the European office of the United Nations, Geneva.

Producer advisers on the delegation are Mr. J. E. Brownlee, president, United Grain Growers Limited, Winnipeg, Manitoba; Mr. A. P. Gleave, president, Saskatchewan farmers' union, Saskatoon, Saskatchewan; Mr. G. L. Harrold, president, Manitoba wheat pool, Winnipeg, Manitoba; Mr. A. Platt, past president, Alberta farmers' union, Edmonton, Alberta; and Mr. J. H. Wesson, president, Saskatchewan wheat pool, Regina, Saskatchewan.

Mr. N. W. Boyd, commercial secretary at the Canadian embassy in Berne, Switzerland, will be secretary of the delegation.

AIR TRANSPORT

TABLING OF REPORT ON APPLICATION OF CANADIAN PACIFIC AIR LINES

Hon. George H. Hees (Minister of Transport): I should like now, Mr. Speaker, to table in English and in French copies of the report of the air transport board to the Minister of Transport on the need for additional transcontinental air services in Canada, and on the application of Canadian Pacific Air Lines for a licence to operate a scheduled service serving Vancouver, Edmonton, Calgary, Saskatoon, Regina, Winnipeg, Toronto, Ottawa and Montreal.

The investigation of the board and its hearing of the Canadian Pacific Air Lines application was dealt with in regional hearings in Vancouver, Edmonton, Regina, Winnipeg and Moncton between October 6 and October 15, 1958, and in final hearings commencing October 20 and terminating December 3, 1958, in Ottawa; and involved consideration of several dozen briefs and well over a thousand pages of oral evidence.

The board found that additional transcontinental air services could not be introduced at this time without major detrimental effect to existing operations, and without economic hardships and possible disadvantages for scheduled air lines, including the applicant. The board found that the application of Canadian Pacific Air Lines should be denied because its expense estimates were computed on an unreasonable added cost basis, with no projection on a fully allocated cost basis; its revenues were estimated without any traffic study; and the schedules for its proposed service appeared to have been based on optimistic block speeds.

However, the board also found that the position of Canadian Pacific Air Lines as an international air carrier needed strengthening, and it has recommended issuing to Canadian Pacific Air Lines a licence to operate a domestic scheduled service from Vancouver to Winnipeg, Toronto and Montreal, to connect Canadian Pacific Air Lines' existing international operations. This new service would be limited to one return flight a day, on which domestic as well as international passengers could be carried. It recommended that the adequacy of this arrangement be reviewed again in two years to see whether additional services would then be warranted. The board also recommended that where limited controlled competition would result

in improving the position of regional air carriers, this be authorized, and has indicated that it feels it should make an intensive investigation of the position of regional air carriers in this connection.

I have informed the air transport board that I am prepared to accept their findings in regard to the foregoing.

The board has also recommended that a substantial portion of the government work now being performed by the R.C.A.F. be diverted to commercial air carriers. There is, of course, an obvious requirement that the Department of National Defence maintain a military air transport organization in being. At the same time, military authorities have always recognized their interest in maintaining civil air transport services which can assist them in time of emergency and, indeed, much of the present work of the larger regional air carriers in Canada is in the direct supply of military installations in the north. This particular recommendation of the air transport board will require further careful examination and I propose to consult with my colleague, the Minister of National Defence, about it.

Hon. Lionel Chevrier (Laurier): May I ask the minister a question. Is not this recommendation of the air transport board diametrically opposed to the views held for a long time by the minister?

Mr. Hees: No, Mr. Speaker. These are in exact conformity with the views held by the minister and as the former minister knows very well, last February I made a speech expressing the government's view on these matters in which I indicated that our policy was that where competition could be economically sound on any particular route we would be in favour of competition being introduced. The policy which has been announced here is in conformity with those views.

TRADE

TABLING OF NOTES RESPECTING CHANGES IN CUSTOMS ACT

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, the hon. member for Ottawa West (Mr. McIlraith) requested on Friday last that the two notes received from the United States—the notes of June 26, 1958 and September 3, 1958—and our reply of October 24, 1958 be tabled. I desire to table those documents now. Members of the house are aware that these notes were made public some time ago, and that the main points set out in the various notes have appeared in a number of newspapers. These notes will, I believe, warrant careful reading by hon. members, as they provide a detailed exposition of the views of the United States government and of the views of the Canadian government on these matters.

In the United States note No. 284 of June 26, 1958, written and presented to us after a general reference to amendments to the Customs Act by the Minister of Finance in his budget speech of June 17, 1958, the ambassador of the United States drew our attention to the main point on which his government saw cause for concern. The note of June 26 was not a protest; in effect it requested that the Canadian government should not introduce any provisions in the amendments to the Customs Act which would be contrary to our international obligations under the general agreement on tariffs and trade. We gave due weight to the observations of the United States while the proposed legislation was being prepared, and we drafted a bill that does not contravene the general agreement on tariffs and trade.

The note dated June 26, 1958 was delivered on June 30, 1958, and it was forthwith brought to the attention of the Department of Finance, the Department of Trade and Commerce and the Department of National Revenue; copies with comments were circulated to them and to the Department of Agriculture on July 16, 1958. The note dated and delivered on September 3 was circulated to the departments concerned on September 8. I now table these notes.

[*Later:*]

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs arising out of the statement he made in tabling the exchange of notes between the United States and Canada earlier this afternoon. My question is in two parts. First, can he tell the house whether or not the government gave any assurances to the United States government that the proposed revision of the Canadian customs legislation would be consistent with the general agreement on tariffs and trade, as requested in the last paragraph of the United States note of June 26, 1958?

The second part of the question is, can he explain to the house why he withheld from the house the note of September 3 on this very important subject when the very subject matter of the note was before the House of Commons, and why he also withheld it from his colleagues at that time?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, with respect to the second part of the question,

that identical question was asked yesterday and I gave an answer to the house. With respect to the first part, if the hon. member will peruse the notes he will see that Canada's stand is set out fully in the note of October 24.

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to direct a supplementary question to the Secretary of State for External Affairs. I am sure the house is very grateful to him for the statement he made today which clarifies the matter, depending upon what one means by the word "clarification". The minister said that due consideration was given by the cabinet to the United States views as put forth in the note of June 26. If that is the case, would the Secretary of State for External Affairs explain why his colleague the Minister of National Revenue was not aware of this note, and likewise the reported unfamiliarity with the note on the part of others of his colleagues? If the cabinet was familiar with these views—

Some hon. Members: Order.

Mr. Speaker: I have followed the previous question and answer and the question which the hon. member for Essex East has asked. It seems to me that as this relates to a matter in the past and is now taking the nature of a debate, it might much better be brought up in a debate than as an oral question. Actually what the questions are directed to is criticism of government conduct rather than a search for information, and to my mind that is a subject matter of debate at the proper time rather than oral questions.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, on this point, and with great respect, we would be very interested indeed in discussing this particular episode in the debate which is now going on, but we would like to have the necessary information with regard to the details concerning the matter so that our intervention in the debate will be accurate.

Mr. Speaker: I have tried not to interfere with any genuine search for the details by way of questions seeking information.

Mr. Martin (Essex East): May I make a further comment on the point you raised?

Some hon. Members: No.

Mr. Speaker: Order. I take it that the hon. member wishes to speak to the point of order I have myself raised.

Mr. Martin (Essex East): The minister made a statement on motions when there was no opportunity, as there is on orders of the day, for wide interrogation. The question I asked, as well as the question put by the hon. member for Ottawa West, was by way of seeking clarification of a statement that had been made in the house. Surely it is within the rules of the house for any hon. member to ask how the minister reconciles one set of circumstances alleged by the administration with the statement he made today. That is what I sought to do, to ask the minister how it was possible, in view of the fact that he said that the government had before it—

Some hon. Members: Order.

Mr. Martin (Essex East): —the views of the United States government, for the Minister of National Revenue not to know what was going on.

Mr. Speaker: I understood that was what the hon. member was bringing up, and it seemed to me that the observation I made was in accordance with the practice of the house.

INDIAN ACT

AMENDMENT TO GIVE INDIANS RIGHT TO VOTE IN FEDERAL ELECTIONS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-15, to amend the Indian Act.

Motion agreed to and bill read the first time.

CANADA ELECTIONS ACT

AMENDMENT TO EXTEND ABSENTEE VOTING PROVISIONS

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

Motion agreed to and bill read the first time.

AMENDMENT REQUIRING RETURNS SHOWING INCOMES OF POLITICAL PARTIES

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-17, to amend the Canada Elections Act (election expenses).

Motion agreed to and bill read the first time.

CRIMINAL CODE

AMENDMENT RESTRICTING CAPITAL PUNISHMENT TO CERTAIN OFFENCES

Mr. Frank McGee (York-Scarborough) moved for leave to introduce Bill No. C-18, to amend the Criminal Code (capital punishment).

Some hon. Members: Explain.

Mr. McGee: Mr. Speaker, the purpose of this bill, which is not unfamiliar to this house, is to provide that hereafter no person shall, except where the offence is treason, levying war or piracy with violence, be sentenced in Canada to suffer death but that such person shall hereafter be liable to imprisonment for life.

Motion agreed to and bill read the first time.

AMENDMENT TO ABOLISH IMPOSITION OF CORPORAL PUNISHMENT

Mr. Frank McGee (York-Scarborough) moved for leave to introduce Bill No. C-19, to amend the Criminal Code (corporal punishment).

Some hon. Members: Explain.

Mr. McGee: Mr. Speaker, the purpose of this bill is to provide that corporal punishment shall be abolished from any of the offences for which it is presently prescribed in the Criminal Code.

Motion agreed to and bill read the first time.

TRADE

REPORTED REFUSAL TO SELL ALUMINUM TO COMMUNIST CHINA

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. Can the minister give the house an assurance or, if not, endeavour to secure an assurance that no pressures from outside Canada were brought to bear on the Aluminum Company of Canada or on Aluminium Limited in the refusal of a $1 million aluminum order from communist China?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, this subject matter was brought to my attention today, and I note that it has been referred to in the press this morning. I cannot at this stage give a complete answer to the hon. gentleman without an investigation of the questions he has raised on this occasion and without a complete investigation to verify the accuracy of the reports that have appeared in the press.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I ask a supplementary question. Can the Minister of Trade and Commerce inform the house whether the report in the newspapers to the effect that a valid permit for the export of aluminum was issued by his department is correct? If so, because of the interest of all of us with respect to export trade, could the minister give us any information with respect to the newspaper report which stated that Alcan has refused to make aluminum available for sale in accordance with the permit?

Mr. Churchill: I think the second part of my hon. friend's question was answered when I was replying to the Leader of the Opposition (Mr. Pearson). As to the first part of the question, an export permit was granted.

SALT FISH—WITHDRAWAL OF NAFEL LICENCE

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Will the minister give the house a statement on what the government proposes to do to meet the marketing problem for salt fish in Newfoundland created by ending the licence for NAFEL?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the hon. member for St. John's East (Mr. McGrath) also drew this subject to my attention. In November, 1958 a committee of senior officials of the departments of trade and commerce, finance and fisheries was established to conduct an inquiry into the marketing of Atlantic coast salted groundfish after July, 1959. This committee is now completing its investigations and will report to me soon. An announcement will be made in due course.

ROYAL VISIT

INQUIRY AS TO OMISSION OF NIAGARA FALLS FROM ITINERARY

On the orders of the day:

Mr. W. L. Houck (Niagara Falls): Mr. Speaker, I should like to direct a question to the Prime Minister. I am wondering whether there could not have been a very serious mistake made, or perhaps an oversight, in the itinerary of the Queen's visit to our country when the most important and most beautiful place in Canada, namely Niagara Falls, was not included.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, having regard to the number of prospective questions to the same effect that are before me, may I say this. Each of us regards his own constituency as meeting the qualifications and having the superb advantages to which the hon. member referred in connection with his. Taking that for granted, the committee under the chairmanship of General Graham has endeavoured

to achieve an itinerary for Her Majesty the Queen that will cover Canada from coast to coast in general and in particular those areas which heretofore have not received such visits.

All I can say to my hon. friend is this. Realizing all the advantages of Niagara Falls, the decision arrived at with the assistance of the committee cannot, of course, be changed from day to day in order to meet the requests of various members, however desirable those requests might be. I think my hon. friend will understand that the purpose of the trip is to enable the Queen to visit as many parts of Canada as possible. On the other hand, regard must be had to her comfort and to the opportunity to give her reasonable rest. Therefore I cannot hold out to him or to any other hon. members who have placed similar questions before me any hope of any material alteration in regard to the itinerary as already published.

Mr. J. M. Forgie (Renfrew North): Mr. Speaker, I sent a question to the Prime Minister this morning which he has already answered, but I consider the situation as far as the Ottawa valley is concerned to be a little different. I received some hope from the statement just made by the Prime Minister—

Some hon. Members: Question.

Mr. Forgie: —that the visits were to be restricted to places that had not been visited before. I call the attention to the Prime Minister to the fact that it is 50 years since we had a visit from the royal family and that the Ottawa valley extends from Sudbury to Ottawa. I should like to have some consideration given to a stop-over in Pembroke, the county town of the county of Renfrew, which is in the centre of the Ottawa valley.

Mr. Speaker: Order. The hon. member appears to be reverting to his maiden speech.

GRAIN

WHEAT, OATS AND BARLEY—INTERIM PAYMENT ON 1957-58 CROP

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. Can the minister inform the house if the Canadian wheat board will be making an interim payment on the 1957-58 wheat, oat and barley crops and, if so, when we can expect such payment?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I should like to thank the hon. member for giving me notice of his question. No decision has been made yet with respect to further payments on the 1957-58 pool account for wheat. The Canadian wheat board was consulted by me with regard to this matter a few days ago, and has the problem under consideration. In view of the success of our wheat export program I think it is reasonable to expect that an interim payment will be made early in 1959.

INQUIRY AS TO REPORT ON ALLOCATION OF BOX CARS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Trade and Commerce if he has yet received Mr. Bracken's report on box cars, which on August 8 he told us was being written.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the information I gave on August 8 was accurate. I have received the report. It is in the hands of the printer, and will be available very shortly.

Mr. Pickersgill: Mr. Speaker, I wonder if in the meantime the minister would mind tabling the order in council appointing Mr. Bracken, and any order in council relating to this inquiry giving the terms of reference and the powers of the inquiry.

Mr. Churchill: I think, Mr. Speaker, all relevant material will appear in the preface to the report.

Mr. Pickersgill: Would the minister consider tabling the orders in council in the meantime?

Mr. Churchill: I shall look into this. I thought it had been done, but I shall see what has happened.

NATIONAL DEFENCE

D.E.W. LINE—FLYING OF U.S. FLAG—FINANCIAL ARRANGEMENTS

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I should like to direct a question to the Prime Minister arising out of a statement he made in the house with regard to the change in the D.E.W. line, as reported at page 56 of Monday's *Hansard*. In that statement he said:

> This is a step in the direction of ensuring that in the northern territories there shall be no misunderstanding as to whom those areas belong.

My question is this. Will the Prime Minister tell the house whether or not the United States flag will continue to fly over these sites on Canadian soil?

Inquiries of the Ministry

Hon. G. R. Pearkes (Minister of National Defence): At the present time, Mr. Speaker, owing to weather conditions no flags are flying over them.

Mr. Hardie: Will the United States flag continue to fly over these sites in future?

Mr. Pearkes: That depends on weather conditions.

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of National Defence whether the flying of the Canadian flag in Canada is dependent upon weather conditions?

Mr. Pearkes: It is not customary to fly the Canadian flag in Canada or any other flag during severe weather, owing to the destruction caused to the flags.

Mr. Hardie: I should like to ask another question with regard to the statement of the Prime Minister on Monday. With regard to this statement I should like to quote from the original agreement, as a basis for my question, paragraph 8 concerning the financing of the line.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that is not the kind of question that should be asked on the orders of the day. The hon. gentleman is referring to certain remarks I made in the house during the course of the debate on the address and certainly it is not a proper question under these circumstances. It is not that I am objecting to the question, but rather to the fact that it is improper procedure to be asking questions of this type on an occasion such as this before the orders of the day are called.

Mr. Hardie: Then I shall direct my question to the Minister of National Defence, who made a statement to the press on Monday of this week. Can the Minister of National Defence tell me whether or not there has been any change in paragraph 8 of the original agreement between the United States and Canada with regard to the financing of the D.E.W. line?

Mr. Pearkes: There has been no change in the financial agreements with regard to the financing arrangements in connection with the D.E.W. line.

CANADIAN BROADCASTING CORPORATION

MONTREAL—INQUIRY AS TO PROGRESS IN SETTLING DISPUTE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of National Revenue, who is the minister who reports to parliament for the C.B.C. Can the minister give us any further information as to what progress is being made in the settling of the dispute in Montreal between the C.B.C. producers and the Canadian Broadcasting Corporation?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I am not in a position to give any further information about that matter. The reason I was late in coming into the chamber this afternoon was that I had a telephone call from the vice president and acting general manager in Montreal. He advises me that as the result of certain communications which emanated from the corporation there is a possibility of resuming negotiations this afternoon or tomorrow, that the matter is still open, and that conversations at least are going on today. Under those circumstances I would prefer not to go into the matter further for another few hours or a day or two until the matter is clarified.

MONTREAL—REASON FOR REFUSAL TO RECOGNIZE PRODUCERS ASSOCIATION

Hon. George C. Nowlan (Minister of National Revenue): Yesterday, Mr. Speaker, the hon. member for St. Denis asked me a question with respect to the strike which I could not catch at the moment over the translation sysem. Having read the question afterward, I can advise the house that the answer is no.

[*Later:*]

NEWSPAPER ARTICLE RESPECTING RELATIONS WITH PARLIAMENTARY PRESS GALLERY

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the minister who speaks for the Canadian Broadcasting Corporation. Has the minister's attention been drawn to a story in the Thomson press papers by a member of the press gallery dated January 15, written by a Mr. Patrick Nicholson, which attacks the C.B.C. and raises serious questions about the ethics and propriety of the corporation's relationships with the press gallery and certain of its members? If so, has the minister any comment to make on whether such charges are under consideration by the corporation?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the story in question was sent down to me from the press gallery a few moments ago, which is a strange coincidence. I have not yet had an opportunity to do more than scan it hastily, and I am not in a position to pass judgment upon it. I know, however, that this was written by

Mr. Patrick Nicholson, an experienced member of the press gallery who is, of course, entitled to his opinions, and I am sure they will carry such weight as his comments deserve.

I do not think the hon. member for Essex East (Mr. Martin), who enjoyed himself so much before the television cameras last night, would agree that the people who interviewed him had no experience in writing news, or that they were not in touch with the tide of events. At least they seemed to have a reasonable knowledge of what is going on. I do think there is some merit in the suggestion that the number of appearances of other personnel could be extended beyond the circle or group which has appeared very frequently in the past.

This, however, is a matter for management; it is a matter over which I have no control whatsoever, nor do I intend to exercise any such control. As the house well knows, the board of directors has only held one meeting, a couple of weeks ago. Since then the executive committee has been meeting almost daily in connection with the strike. We hope this strike will soon be terminated, and then I will draw this story to the attention of the directors for such action as they may consider fitting.

BRIDGES

MONTREAL—STATEMENT ON DELAY OF DIVERSION WORK ON VICTORIA BRIDGE

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Yesterday, Mr. Speaker, I advised the hon. member for Laurier that I would make a further statement as soon as I received it from the management of Canadian National Railways regarding his request that the railway be asked to delay the diversionary work on Victoria bridge until the construction of Champlain bridge had been completed. The management have now given me the following statement.

The Victoria bridge is considered the most important railway transportation link in Canada. Across it passes well over a half million railway cars a year carrying commerce valued at about $2 billion and constituting by far the greater part of the traffic to and from eastern Quebec, the maritime provinces and the United States. It is necessary, therefore, that co-ordination between the Victoria bridge and the St. Lawrence seaway should be such as to present a minimum of delay, since the consequences of any interruption of this huge traffic flow would be incalculable.

With the construction of the seaway project it was necessary to arrange for the opening of the bridge to permit passage of vessels through the canals. A simple lift span would have a disastrous effect on railway and highway traffic. It was therefore considered necessary to construct a rail and highway diversion for the purpose of providing an alternative route for rail and highway traffic when the lift span is in operation at the St. Lambert lock. The co-ordination of Victoria bridge with the navigation channel has constituted a most complex problem, but the management is satisfied that the method of co-ordination finally evolved embodies the best possible solution under all the circumstances, in that it will achieve a complete separation of all types of traffic—marine, rail, and highway—without interruption to any one of them.

There was a dispute between the seaway and the railway as to which ought to bear the cost of the diversion and related facilities. This dispute was temporarily resolved by the terms of an agreement executed between the seaway authority and Canadian National Railways dated January 12, 1956, when the hon. member was president of the seaway, under which Canadian National Railways undertook to construct a diversionary bridge and to complete it, as far as practicable, concurrently with the construction of the lift span at the St. Lambert lock. There was a further understanding between the seaway and Canadian National Railways that it was vital for railway traffic to have uninterrupted movement, and that until the diversionary bridge made this possible the railway is to have control of the opening and closing of the lift span. Consequently shipping in the canal may be seriously delayed until the diversionary bridge is ready for use. The urgency for completion of the rail diversion is, therefore, definitely related to the needs of navigation, since any interruption of movement will affect shipping and not the railway.

Following construction of the diversion and related facilities, the responsibility for payment of the costs involved will be determined by the governor in council.

[*Later:*]

Mr. Egan Chambers (St. Lawrence-St. George): I should like to direct a question to the Minister of Transport arising out of his statement regarding Victoria bridge. I wonder if he would inquire of Canadian National Railways whether, being unable to delay the diversion work on Victoria bridge until construction of the Champlain bridge has been completed, they would be willing

to delay it until the extra lane on the Jacques Cartier bridge is completed early this summer.

Hon. George H. Hees (Minister of Transport): From information I have they feel it is important to get ahead with the work immediately. However, I shall make inquiries.

Mr. Chevrier: You have already answered that question.

LIVESTOCK

EFFECT ON CANADIAN EXPORTS OF U.S. BRUCELLOSIS CONTROL

On the orders of the day:

Mr. E. A. Winkler (Grey-Bruce): I wish to direct a question to the Minister of Agriculture, Mr. Speaker. Has the minister seen the statement in today's *Globe and Mail* that exports of cattle from Canada to the United States will be seriously curtailed by the new United States brucellosis control program, and will he inform the house what effect this program will have on exports from this country to the United States?

Hon. D. S. Harkness (Minister of Agriculture): Yes, Mr. Speaker, I have seen it. I should like to thank the hon. member for giving me notice of his intention to ask this question. I think it is desirable that I should make a statement in connection with the matter so that fears on the part of cattlemen which this and similar reports are likely to have aroused should be set at rest.

The implication in recent press reports that exports of cattle from Ontario will be limited mainly to the counties of Oxford and Prince Edward is misleading. On November 8, 1958 the United States introduced new cattle import certification requirements for brucellosis disease. These new regulations permit the entry into the United States of six classes of cattle:

1. Cattle from brucellosis-free listed herds.
2. Cattle from brucellosis-certified areas.
3. Cattle from herds which are neither listed nor in certified areas but which have passed a negative herd test within 90 days.
4. Cattle up to 30 months of age, officially calfhood-vaccinated against brucellosis.
5. Range cattle of the beef breeds from western Canada.
6. Cattle for immediate slaughter.

There are in Canada approximately 5,000 herds under the brucellosis-free listed herd policy. Cattle from all these herds are eligible for export. In Ontario two counties, Oxford and Prince Edward, are already certified areas. Three other counties, namely Halton, Stormont and Dundas, will be certified within the next few days. Nine other counties are under test, all of which should be completed before summer. In the meantime, as herds in these counties or elsewhere pass a negative test they are eligible for export. These 14 counties include most of the major Ontario cattle export areas. A further 17 Ontario counties have been accepted for testing and will be proceeded with as quickly as possible.

Elsewhere in Canada, the province of Prince Edward Island has been completely certified. Three counties have been certified in Nova Scotia and five in New Brunswick, and three additional counties are under test in each of those provinces. Seven areas are under test in Quebec, although none has been certified to date. Testing is proceeding in western Canada, and some areas have been certified.

As a result of the progress in brucellosis testing and the provision for the export of western feeder cattle and cattle for immediate slaughter, the new United States requirements should not seriously restrict Canadian cattle exports. As I stated at the beginning, I hope this statement will set at rest the fears which have been communicated to me from several quarters that our exports of cattle to the United States are going to be seriously curtailed.

PENITENTIARIES

WESTERN CANADA—INVESTIGATION OF SITES BY COMMITTEE

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): I should like to direct a question to the Minister of Justice. Having read in a recent edition of the Calgary *Herald* a news item stating that a federal government committee will visit the town of Fernie, British Columbia, before spring to consider constructing a penitentiary there, I should like to ask whether it is the intention of this committee to visit other places in western Canada. Is it the intention of the committee to visit the district of Drumheller?

Hon. E. D. Fulton (Minister of Justice): I should like to thank the hon. member for giving me notice of his question. Perhaps I should take this occasion to confirm to the house a statement which was issued some time ago announcing the appointment of a correctional planning committee within the Department of Justice. This committee consists of Mr. A. J. MacLeod, director of the remission services; Mr. J. A. McLaughlin, an assistant commissioner of penitentiaries, and Colonel J. R. Stone, who at the time of his appointment was provost marshal of the army.

This committee was set up following unanimous agreement reached at a conference among myself and other federal officials and attorneys general of all the provinces and other provincial ministers and officials concerned with the correctional system in Canada. The committee has as one of its functions, under the terms of reference under which it has been appointed, to visit all the provinces to discuss with provincial officials the details of the plans necessary to be made to implement the agreement in principle arrived at at the conference. As a particular part of their function they have to assess the need for further penitentiary construction, and the suitability of various areas for such institutions.

It is out of the reports in connection with that committee and with that particular part of their function, that the press report to which the hon. member refers has arisen. The committee has just completed its tour of the maritime area in the course of carrying out this function, and during the first half of this year it will be visiting all other provinces of Canada. Details of their itinerary in the west have not yet been settled, but they will investigate likely sites for construction and report to me on them. Certainly I can advise the hon. gentleman that the interests of Drumheller have been brought to the attention of the committee.

Mr. Speaker: Before the hon. member for Kenora-Rainy River takes the floor, I think I should say, and I hope the ministers will not take it amiss, that we have had three quite long statements in answer to questions. I presume it is the objective at this time to have short questions and short answers. Perhaps there is no harm done in producing answers to questions if they concern something that could be produced as a minister's statement under the routine heading of motions. However, I just call the attention of the house to the fact that we are having rather lengthy answers to oral questions.

CANADIAN NATIONAL RAILWAYS

PENSION NEGOTIATIONS—REPORTED WITHDRAWAL OF PASS PRIVILEGES

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to direct a question to the Minister of Transport. I wonder if he would inform the house as to whether or not discussions have been proceeding between the management of Canadian National and the employees aimed at a revision of the Canadian National pension regulations. These discussions were proceeding satisfactorily, and might even have been concluded by now, had it now been for the fact that the management of the Canadian National saw fit to withdraw the long-held passes of employee representatives at the conference.

Hon. George H. Hees (Minister of Transport): I shall be glad to speak to the management and find out about that matter.

BUSINESS OF THE HOUSE

UNEMPLOYMENT—INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister whether in view of the unemployment figures made public yesterday, and in view of the government's intention as announced in the speech from the throne to introduce legislation in this connection, the Prime Minister will not reconsider his earlier refusal to interrupt the course of this debate so that this legislation may be introduced at once?

Right Hon. J. G. Diefenbaker (Prime Minister): My answer is this. The hon. gentleman said this government had lost the confidence of the people. We want to have that determined by a vote, and then we shall immediately proceed with our legislation.

Hon. Paul Martin (Essex East): May I ask a supplementary question. Is the reason for not accepting the suggestion of the Leader of the Opposition the fact that the government's legislation is not yet ready?

Mr. Diefenbaker: As usual, Mr. Speaker, the hon. gentleman is wrong.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to direct a question to the Minister of Labour. Since the Prime Minister has told us that legislation to amend the Unemployment Insurance Act is ready, would the minister put the notice on the order paper in order that the public may know what is involved in this legislation. That probably would affect the question of confidence to which the Prime Minister referred.

Some hon. Members: Oh.

Mr. Pickersgill: My question was a serious one.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I am not aware that the Prime Minister referred to unemployment insurance amendments at all in answering any question.

Mr. Pickersgill: Perhaps the hon. gentleman was not listening.

Mr. Starr: You were not. I do not doubt that the hon. member for Bonavista-Twillingate is probably as confused as he always is.

Mr. Pickersgill: Exactly as confused as he always is.

WATER RESOURCES

CHICAGO DIVERSION—INQUIRY AS TO U.S. LEGISLATION

On the orders of the day:

Mr. J. W. Murphy (Lambton West): I would like to direct a question to the Secretary of State for External Affairs. Is the minister or the government aware that bill No. 1, which is at present before the United States congress would, if passed, authorize an additional diversion of 1,000 cubic feet per second from lake Michigan at Chicago? Does the government consider that the implementation of this legislation would have adverse effects on Canadian interests such as hydro, shipping and our present dock and harbour facilities?

Hon. Sidney E. Smith (Secretary of State for External Affairs): I am grateful to the hon. member for Lambton West for giving me notice of this question. Our embassy in Washington has brought to our attention bill H.R. 1, which was introduced by a private member in the House of Representatives of the United States on January 7. Officials of the several departments concerned are examining carefully the implications of this proposed United States legislation.

The proposed legislation has many ramifications with respect to the water levels of the great lakes, connecting channels, the St. Lawrence river and also with respect to hydroelectric generation at Niagara Falls, at the international section of the St. Lawrence river and at Beauharnois. The hon. member will recall, I am sure, that an aide memoire on this subject was delivered to the United States government on January 6, 1958, and was tabled in the house on August 2, 1958.

Hon. Lionel Chevrier (Laurier): May I ask a supplementary question. Is it not a fact that according to a study made by a subcommittee of the international joint commission power development in the international section will be materially affected by this diversion, and that the water level in Montreal will be reduced by three-quarters of an inch?

Mr. Smith (Hastings-Frontenac): I am not aware of this report, but I can assure the hon. member that that, along with other matters, is now being considered as I have intimated in my reply.

Hon. L. B. Pearson (Leader of the Opposition): May I ask a further supplementary question. Is this particular bill similar to the one which was introduced on this subject last year in the United States congress, and concerning which the government said it had no objection to its passage?

Mr. Smith (Hastings-Frontenac): I have not seen the bill and I have not compared it, but I do understand that it is almost identical.

FINANCE

REPORTED MISUNDERSTANDING BETWEEN CHARTERED BANKS AND CREDIT UNIONS

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, I should like to direct a question to the Minister of Finance, of which I have given him notice. Has the minister's attention been drawn to an article which appeared yesterday in *Le Droit* of Ottawa relating to misunderstandings between the chartered banks and les caisses populaires and the credit unions?

If the answer is in the affirmative would the minister be disposed to offer his good services so that a fair and equitable solution may be reached?

Hon. Donald M. Fleming (Minister of Finance): The hon. gentleman was good enough to give me notice of his question just before I came into the house. The answer to the first question is, therefore, no. However, I think I may guess that the purport of the article concerned service charges which the chartered banks propose to impose on the transactions in the chartered banks for the accounts of the caisses populaires and the credit unions. This matter has been the subject of frequent correspondence with the Department of Finance in the course of, I should say, the last two months.

With regard to the second question, may I gratefully say to the hon. gentleman that I am touched and flattered by the implication of his question in assigning to the Minister of Finance his favourite and most appropriate role of peacemaker.

Mr. Bourget: A supplementary question. I wish to thank the minister for his answer and to assure him that the interested parties, particularly the caisses populaires and the credit unions, would greatly appreciate the services of the minister. I feel sure that the minister will agree with me that such an important problem, affecting over two million Canadians—

Mr. Speaker: Order. The hon. member rose to ask a supplementary question, but he is taking a long time about it. Perhaps he has made his point.

ADMINISTRATION OF JUSTICE

BRITISH COLUMBIA—EMIGRATION OF DOUKHOBORS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I wish to direct a question to the Minister of Justice. Is the minister in a position to inform the house whether any information has been given to his department by the appropriate authorities of the U.S.S.R. that the sect of Doukhobors in British Columbia known as the sons of freedom will be admitted to the U.S.S.R. and, if not, does the federal offer of financial assistance toward handling this problem in British Columbia still apply?

Hon. E. D. Fulton (Minister of Justice): In answer to the first part of the question I can advise the hon. gentleman that we have received no communication whatsoever from the government of the U.S.S.R., either directly or through its embassy in Ottawa, in this regard. That is the latest information I have. I will consult with my colleague, the Secretary of State for External Affairs to make certain that my answer is up to date, and if it is not I will give a further answer tomorrow.

With respect to the second part of the question, I may tell the hon. gentleman that we have informed the representatives with whom we have been dealing on behalf of this particular sect of the Doukhobors that our offer still stands. It was made in good faith and still stands, and we have told them we are prepared to fulfil it if and when they fulfil the conditions laid down in respect of that offer, one of them being that we should receive satisfactory evidence that the Soviet authorities are prepared to accept those members of the sons of freedom sect who wish to go to Russia.

POWER

SAINT JOHN, N.B.—STATUS OF AGREEMENT RESPECTING THERMAL PLANT

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Will the minister tell the house whether a specific agreement between the government of Canada and the government of New Brunswick has been signed relating to the construction of the thermal power plant at East Saint John and, if so, would the minister advise us when he expects to table this agreement?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, the answer is no.

Inquiries of the Ministry

Mr. Robichaud: A supplementary question. Would the minister, in view of the long delay, consider communicating with the government of the province of New Brunswick in order to reach a signing of this agreement and allow the project to be proceeded with without delay, thus providing much needed employment?

Mr. Hamilton (Qu'Appelle): The government is in constant communication with the government of New Brunswick on this subject.

PUBLIC BUILDINGS

WINDSOR—INQUIRY AS TO ADDITION TO FEDERAL BUILDING

On the orders of the day:

Mr. N. L. Spencer (Essex West): Mr. Speaker, I wish to direct a question to the Minister of Public Works. Has the minister an explanation to give to the house as to why construction has not begun on the addition to the federal building in Windsor, which construction would in part relieve unemployment in that city?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I should like to thank the hon. member for having given me notice of his question.

The contract was called on the basis of a mat foundation. Subsequent to the award of the contract the consultant architects recommended that the department investigate alternative types of foundations. These investigations are now complete, and the contractor has been instructed to proceed in accordance with the type of foundation originally specified. He has assured us today that work will start tomorrow. The contractor is Eastern Construction Company, and the amount of the contract is $1,395,000.

Mr. Martin (Essex East): I thank the minister.

Mr. Green: Unfortunately I had no help from the hon. member for Essex East.

Mr. Martin (Essex East): Is not the minister aware that just before Christmas I made two telegraphic representations of an urgent character in this matter?

LABOUR CONDITIONS

UNEMPLOYMENT—REPORTED INSTRUCTIONS TO DEPARTMENTAL OFFICES TO NOT RELEASE FIGURES

On the orders of the day:

Mr. L. D. Crestohl (Cartier): Mr. Speaker, I wish to direct a question to the Minister of Labour. Have the unemployment commission

offices in the country been notified in any way not to give out any unemployment figures?

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, January 20, consideration of the motion of Mr. W. H. Jorgenson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Pearson, and the amendment to the amendment of Mr. Argue.

Mr. M. D. Morton (Davenport): Mr. Speaker, when the house adjourned last night I was speaking of one of the problems affecting unemployment, and I stated that the problem is how to produce without pricing ourselves not only out of our own market but out of the markets of the world. I indicated that employment depends on trade and the ability to sell our services and products at competitive prices in Canada and abroad.

As I understand it there are several industries across Canada today, particularly the clothing and garment industry and some parts of the electrical industry, that must consider moving their factories from Canada because they cannot compete even in Canada or meet competition from outside countries such as Japan. Another factor contributing to unemployment has been the result of disputes between management and labour sometimes resulting in strikes. In a democratic system we must rely on the responsibility of the leaders of both management and labour to settle these disputes without government dictation, and I hope the leaders on both sides will consider the over-all effect of these actions. These are not decisions for government but rather for labour and management. Many of these problems cannot be solved entirely by legislation, subsidies, tariffs or artificial stimulants. These problems require co-operation of all the people concerned.

May I make it clear, Mr. Speaker, that I do not say these things because I believe we are now in a disastrous or perilous situation, but rather because I am concerned that perhaps we might be pressured in the wrong direction, and I am voicing my concern before it is too late.

It has been a platform of our party, and I think it is the hope of every hon. member in this house, that we in this country will be able to develop our resources for the benefit of our people and to provide for a larger population. But if we price ourselves out of the markets of the world and even out of our own markets we shall become little more than the distributors of our own raw materials, and history will record us as a nation not worthy of its heritage. I therefore suggest, in view of the importance of this to our future, that the government consider convening a national conference on unemployment and related subjects the membership of which might be composed of representatives of the three levels of government, of industry, labour, agriculture and economics, in the hope that we might solve this problem by a comprehensive and co-operative plan rather than spending time in this house hurling abuse across the floor as to who is the cause of the problem of unemployment.

Another area in which I believe we as a democratic nation are not measuring up to the competition which is being offered by the communist nations and satellites is the field of education. The implications of the scientific achievements of Russia are self-explanatory. We can no longer pretend that we have a superior system; we must now prove it. We admit that in Canada we have no central body responsible for national leadership in this field. We must depend on the alertness of the ten provincial governments to co-operate in unison to meet the national need for high educational standards.

I commend the hon. member for York Centre (Mr. Stinson) for bringing to our attention yesterday a study of our educational system as compared with those of East Germany and Russia. This report was prepared by Mr. Anthony Frisch, who was born of Austrian parents in Naples, Italy and studied science at Emmanuel College, Cambridge, and McGill University. He came to Canada and during the war served with the R.C.A.F. Because of his knowledge of what has happened in Europe he became greatly concerned about the educational system in Canada. Through co-operation he obtained textbooks from Russia and Germany and from each Canadian province to use as the basis of his study. I think it is to his credit that he has given us this report so that it might be studied by educational authorities across Canada.

As was pointed out yesterday by the hon. member for York Centre, the study contains a table showing a break-down of related headings of subjects in the field of science such as mathematics, physics, chemistry and biology as taught in Canada, Russia and East Germany. This indicates that 71 headings are in use under the Russian system in the study of science, 13 being under mathematics, 19 under physics, 25 under chemistry and 14 under biology.

In comparing these subjects and relating them as closely as he could to equivalent

teaching in Canada he found that the province with the nearest approach to teaching the 71 subjects was Ontario with 54. In the matter of mathematics, where there were 13 units, the nearest province was Ontario with nine; in physics with 19 units the nearest province was Saskatchewan with 16; in chemistry with 25 units the nearest province was Ontario with 18; in biology with 14 units the nearest province was Quebec, the English section, with 14.

In respect of education in Ontario he made the following comments:

Mathematics

Ontario courses trail the soviet courses by about three years in the soviet equivalent grades 9 and 10. In the soviet equivalent grade 11, analytical calculus, as is the case with all other provinces, is not mentioned on the Ontario syllabus.

Physics

Ontario trails the soviet by two years in the soviet equivalent grade 9; one year in the soviet equivalent grade 10; one to two years in the first part of the soviet equivalent grade 11.

Chemistry

Ontario trails by three years the first two years of high schools; by two years the soviet equivalent grade 11; and does not touch at all the final soviet year, which is devoted exclusively to organic chemistry.

Biology

Grade 13 zoology and botany cover, however inadequately, the work of the soviet equivalent grades of nine, 10, 11 and 12.

He sets out in detail tables to back up his analogies. He came to the following conclusions:

1. The soviet are able to teach their students, at an early age, to manipulate creatively abstract terms.
2. At no time is subject matter repeated in subsequent grades.
3. Subjects are not popularized to spoon-feed lower grades.
4. Practical applications of laws and phenomena receive marginal treatments.
5. Generally, we trail the soviet three years in mathematics and two years in science.
6. The curricula of the 10 provinces show marked differences.

He makes the following suggestions for consideration:

Consequently, to ensure the survival and development of our talented children, most of whom survive despite the school system, it is suggested:

1. That the federal government declare that there exists a state of emergency in education;
2. That the federal government, through yearly I.Q. tests administered in consultation with the provinces, select the most talented students at the grade nine level, irrespective of geographic residence or academic performance;
3. That these selected students be called "Canada scholars";
4. That these students, provided they attend school and only that they pass their grade, be paid scholarships of the value of old age pensions through the welfare branch of the Department of National Health and Welfare but under no circumstances through the Canada Council as constituted at present;
5. That the federal government, in consultation with the provinces, administer a further set of yearly I.Q. tests to all students at the grade 12 level;
6. That the most talented of these students, provided only they pass their year, and irrespective of geographic residence, be called "Queen's scholars";
7. That these students, as long as they attend a school or university, receive scholarships amounting to twice the amount of old age pensions.

Hon. members will note that he makes perhaps an indirect criticism of some of the teaching and methods of choosing our students on academic performance only because, in talking to me, he said that in some of our courses our students are taught to parrot back their knowledge rather than think on their own, and he felt that by emphasizing the intelligence side you would get a more independent type of student.

We may not all agree with the conclusions that he has brought before us, Mr. Speaker; we may not feel that the Russian system is perhaps as advanced as it is made out to be. Perhaps the Russian system of schools is not distributed across the country to the same extent as ours may be but I do not think we can afford to ignore those comparisons. I am also informed by Mr. Frisch that, according to his study, the Russians compare favourably with us in the humanities.

I would suggest, Mr. Speaker, that since we have no central body responsible under government for this leadership in education as such, this might be a task that might well be gone into by the Canadian education association across Canada, which represents the ministers and the educational heads of all the provinces. Because of their experience they could study this problem and perhaps give us some leadership in the country in this respect. I think it is most important that we take those warnings now before it is too late.

We all look back at our history and we sort of laugh at those who during the days before it was discovered that the world was round clung to the idea that the world was flat. Perhaps we are in the same situation today in our history with respect to education. Many of our concepts of education and of the universe are changing and we must accept the fact that as the explorers of old, together with the leading scientists, proved that the world was round. So because of explorations now being made into space and the demands and the problems of the future world are going to be such that our present system of education, regardless of how well it may have served us in the past, is not adequate to serve our future needs.

It would be interesting to know, Mr. Speaker, among the experts whom we have employed in our various industries and research centres how many are from other

countries. How much have we had to rely on experts from other countries? It is not a bad thing. We welcome those who come from other countries and we welcome their knowledge. I am almost sure that in its present development our educational system has not produced all the experts we have needed. As a matter of fact—this is an aside—we were discussing the matter of the Arrow with the members of the union in Toronto last week and they made the comment that the staff they brought together came from all countries of the world and that it would be a shame if that staff had to be dispersed. The thing that caught my attention was that in order to build up the expert staff for that task it was necessary to draw on outside experts to get the efficient team that was required.

We cannot be too proud, we cannot be blind, Mr. Speaker. We must give the Russians credit for advancement in their education. Perhaps those advances are our ultimate hope. They will learn the wisdom of letting other nations live side by side, each maintaining its own system. There is already slight evidence that the educated in Russia are seeing the folly of the dogmatic and rigid concepts of communism. I only hope that our educational leaders will swallow their pride and give us constructive leadership in improving our educational system and that we in government will give leadership in providing the funds that may be necessary.

I understand that at the present time about 3.11 per cent of personal income is being spent on education and that about 10 per cent of all the money spent on government affairs is spent on education. I should like to urge again that a select committee of the house be set up to study the financial needs of education in Canada. It is a problem that we must face. I think it is time to forget our regional prejudices and think as Canadians in developing educational systems across Canada in accordance with the needs of the provinces and of our growing nation. We should study how the central government can help financially without interfering with the rights of the provinces.

I again urge the Canadian educational association to undertake the sponsorship of a research program as to the future requirements of our country. I also urge the extension of the scholarships now provided. In the brief of the Canadian teachers' federation to the Prime Minister (Mr. Diefenbaker) last year the following statement is made and I think that we should bear it in mind.

> The full development of this country economically, culturally, socially, and spiritually demands the full development of the potentialities of its youth. The extent of education of a Canadian boy or girl should depend upon his or her ability to benefit by further education and not upon geographical location and the parent's pocketbook. Whether or not one concedes that a full education is the birthright of every citizen, there surely can be no doubt that the best interests of the nation require that every citizen be educated to the fullest extent of his capabilities.

I trust that we as Canadians, while proud of our resources, will recognize our destiny and combine in a constructive effort within our nation and with our friends to prove to the world that our system is better than that of the communists and that it gives greater hope to the individual.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I am happy to take part in this debate. The Leader of the Opposition (Mr. Pearson), in a remarkable speech on Monday, brought to the attention of the house the inadequacies of the policies of the government in practically every field. He also chastised the government for its indecision, for its confusion and for its fumbling. I should like to limit myself this afternoon to one or two heads of government policy which to my mind are responsible in no small measure for the disastrous condition in which the country finds itself today.

Before proceeding, however, I should like to follow the tradition of the house from time immemorial and extend my congratulations to the hon. member for Provencher (Mr. Jorgenson) and the hon. member for Montmagny-L'Islet (Mr. Fortin), who discharged in excellent fashion the tasks of moving and seconding the address in reply to the speech from the throne. I want to refer particularly to that part of the speech of the hon. member for Montmagny-L'Islet which dealt with national unity. It has always been the doctrine of the Liberal party and all its leaders to uphold national unity in the house and throughout the country.

I should now like to refer to what the Prime Minister (Mr. Diefenbaker) had to say on Monday when he stated that the speech delivered by the Leader of the Opposition was not in keeping with his responsibilities. This to my mind was unfair criticism and I should like to tell the Prime Minister today that that part of his speech was not in keeping with his responsibilities as Prime Minister. The particular inference that he tried to leave that the criticisms of the Leader of the Opposition were similar to those made by communist leaders and especially Mr. Mikoyan is certainly not in keeping with the kind of leadership that the Canadian people have the right to expect at this moment.

Mr. Diefenbaker: There was no such implication.

Mr. Chevrier: After having made that reference to Mr. Mikoyan, the Prime Minister went on to say, as found on page 53 of *Hansard* for January 19:

When one considers the difficulties confronting the free world in terms of an economic attack one must conclude this is not the time for the kind of speech that was delivered here this afternoon with such relish.

What were the points made by the Leader of the Opposition with reference to the economic situation? He outlined the unemployment problems in the country in realistic terms, at all times basing his argument upon figures taken from government statistics. On that basis he criticized the inadequacy of government policy and he urged the Prime Minister to take new steps to deal with this very serious social evil. My leader was in very good company indeed when he made these statements because, the archbishop of Montreal, Cardinal Leger, dealt with this problem on at least two occasions. Here is what he had to say.

(Translation):

Mr. Tremblay: Not in the same sense.

(Text):

Mr. Chevrier: I hear someone say, "not in the same sense." Just let him listen to this. On September 18, 1958 the cardinal spoke to the delegates at the annual meeting of the federation of Catholic workers of Canada and, as reported by *La Presse* of Montreal, here is what he had to say:

His Eminence deplored that hundreds of thousands of workers are without work in a country immensely rich and in full development. "We cannot hide the anxieties that are inspired in us by the considerable amount of unemployment which took place last winter and which unfortunately strikes today in the homes of many workers.

I should also like to read from the pastoral letter of the cardinal which was read to all his diocesans in the archdiocese of Montreal on Sunday, January 18. Cardinal Leger said:

A Christian cannot remain indifferent in a situation which creates such great suffering. Behind the statistics and figures we must discern the men and women, the children and the aged who are reduced to poverty and exposed to the terrible temptations of despair.

Then again:

A just and lasting solution to unemployment involves respect for man's natural right to work, encouragement of a high and stable level of employment and a more salutary direction for the economy.

Note these significant words.

The situation requires the intervention of government to take new and audacious steps.

I ask the house, is that so different from what was said by my leader when he asked the Prime Minister the other day and again today whether he would interrupt the speech from the throne in order to bring forward new measures to deal with unemployment.

I should like to discuss this question. In so doing I feel that I am in better company with the cardinal and with the Leader of the Opposition than I am with the government. But I am not alone with these two distinguished gentlemen, Mr. Speaker. Listen to what the hon. member for Prince Albert, now the Prime Minister, had to say in 1955 when he sat on this side of the house and when conditions were in no way comparable to the serious situation the country faces today and which year was the most prosperous of the 1950's. I quote from page 2034 of *Hansard* of March 15, 1955:

The Prime Minister (Mr. St. Laurent) said he very seriously regretted the developing unemployment across the country when he spoke in the house some weeks ago . . . they express solicitude. They mobilize statistics. But the Prime Minister, from whom the people of Canada want to hear, with the prestige of his position, remains silent in the face of a problem that wrings the hearts of the people.

The hon. member for Prince Albert went on to say this:

What a hopeless picture! The government, faced for the first time with serious unemployment . . . is unable to give any hope. We are unable to rouse them into placing before the people of Canada some of the picture.

Later on he said this:

We do not believe in preaching pessimism; we do not want to see the condition of affairs brought about which will create panic; but we are asking the government to act now—

Then dealing with the figures of the Canadian National Railways, which were then much better from the point of view of revenue than they are at the present time, here is what the hon. member for Prince Albert said:

Why not face that picture? Is it not a fact that some 10,000 men have been laid off? The railwaymen ask: what is the picture for the future? After all, it is a government corporation and they have a right to expect information regarding the railway company owned by the dominion.

Then still further:

The municipalities are loaded down with unemployment relief . . . What is the attitude of the government?

Those are words which were used by the present Prime Minister when conditions were far better than they are today. Yet the Prime Minister dares to criticize the Leader of the Opposition because of the language which he used in his speech on Monday. I can only say:

(Translation):

Other times, other ways.

The Conservative government is starting the session on the wrong footing. Its finances are in poor shape. Over the whole fiscal year,

the government's total deficit—including budgetary and non-budgetary items—will reach $1,600,000,000.

Where will we find the money to offset this deficit? Either by increasing taxes or by borrowing. As you know, the government decided to borrow by selling bonds. Everybody knows today that this financial policy of the government is causing a steady fall in the value of government bonds. In fact, last year in mid-December, $100 government bonds were down to $94.50.

At present, being less and less able to borrow from the public, the government is facing a financial crisis. But this is not the whole story, for the financial responsibilities of the government will cause a new increase of expenditures during the new fiscal period so that next year again the government will face another large deficit, unless it decides to increase taxes. Even if it should do so—and taxes are already high in Canada—its disastrous financial policy would nevertheless, this year, contribute to inflation and rising prices.

Indeed, Mr. Speaker, prices are already on the way up, as official government statistics well show. Indeed the consumer's price index has gone up 3.5 per cent since 1957. The general wholesale price index shows that they have risen by two points in less than two months, that is last October and November, which means, as stated by the dominion bureau of statistics itself, the largest increase in two months since 1950. And, as proved by experience, an increase in wholesale prices always foreshadows a rise in retail prices, so that we must expect a record increase in the cost of living in the next few months.

We are in the very midst of inflation, and nothing can be more disastrous for a country than this. Indeed, inflation touches everybody, particularly those who are defenseless and who suffer, and especially those whose salaries do not rise as quickly as the cost of living. When prices go up, it is the white collar worker, the civil servant, widows and small wage earners who take the brunt of a lower standard of living.

The government has no overall program to fight this plague. There again, it wallows in confusion and uncertainty. With this financial crisis created by the government, and with soaring prices, there is more unemployment than in 1957. The unemployment situation remains very serious.

Not only was unemployment higher in 1958, but the number of workers was lower than in 1957. As we were told yesterday, in mid-December there were 440,000 unemployed in Canada. In the province of Quebec, the situation is more serious than anywhere else, with the exception of the maritime provinces.

There are today, in the province of Quebec, 185,000 people looking for work. This is more than 8 per cent of the available labour force, or about one third of all the unemployed in Canada. In Montreal, 80,000 people are out of work. In Sorel, in Arvida, in the asbestos and textile industries that our hon. friends, particularly the hon. Minister of Finance (Mr. Fleming) were supposed to help out, conditions have never been worse.

Representatives of the textile industries complained about it yesterday, at a meeting held in Ottawa. Consequently I have no hesitation in saying that, with respect to unemployment and to the financial situation, the government has no comprehensive plan to cure the evil. Besides, the speech from the throne is non-committal and announces no new measure to cope with the situation.

We no longer hear about the great billion-dollar public works program, so often mentioned during the last elections. We hear, instead, of the winter program of assistance to municipalities.

This idea, Mr. Speaker, is not new. Indeed, the Liberals suggested it during the last election campaign, and even proposed it, as did the hon. Leader of the Opposition (Mr. Pearson) during the parliamentary session. We tried, by all possible means, to convince the government to put into force this policy. We did not succeed at the time, but the government finally decided to accept our proposal, but unfortunately its decision came too late. The plan was announced too late to improve the lot of those who suffer in these winter months. It was put forward in late October, at the very time when the Prime Minister was about to leave on his trip around the world.

Actually it was then too late for municipalities to plan such works, which should have started by early November if they were to have any effect in relieving seasonal unemployment.

Besides, the program put forth by the government is much too restrictive to deal with the problem. On December 24, 1958, the hon. Minister of Labour (Mr. Starr) announced that, between December 1 and April 30, his program would cost the federal

government $3,900,000. Will you please tell me, Mr. Speaker, what good an outlay of $3,900,000 can possibly be in helping the country's 440,000 unemployed? The hon. minister admitted that at the time the province of Quebec had submitted no project in connection with this winter works program.

This winter works program for municipalities can therefore be of absolutely no use to the province of Quebec, because so far she did not take advantage of it, although at this time 185,000 persons are seeking jobs. Yet in Montreal, on March 20 last, the Minister of Labour did not hesitate to forecast that unemployment would have vanished by mid-June.

What about the oft-repeated words of the right hon. Prime Minister to the effect that no one would suffer from unemployment on account of him? Will he take offence if I tell him that, at the present time, there are 440,000 unemployed in Canada?

(Text):

The Prime Minister (Mr. Diefenbaker), in his intervention in the debate referred to the speech of the President of the United States. I wish he had gone on to deal further with that speech which the President made to congress, his usual state of the union speech, because if he had he would have noticed a part having to do with inflation. He would have noticed that the President said that because of the serious condition vis-à-vis inflation, because of the danger of future soaring prices and to keep the economy sound and expanding, he would present to congress at once certain proposals. He went on to list them. The first was a balanced budget for next year. This is advice which the Prime Minister might well follow.

Apparently the government, in dealing with unemployment, intends to follow the kind of approach that we on this side of the house have criticized, namely increased government expenditure. At least, this is what the Prime Minister led us to believe in his speech on Monday as recorded at page 65 of *Hansard* for January 19, 1959. He said:

> But I believe the people of Canada as a whole want us to make the necessary expenditures to meet the spectre of unemployment as it is found.

Well, you have listened to this statement by the Prime Minister. Now, contrast that with what the Minister of Finance (Mr. Fleming) had to say in Toronto in his famous speech on January 5. After going on to say that the expenses of government were high; that the line must be held; that expenditures must be paid; that a high standard of living and of social services and the like must be maintained, he said this, and I quote:

> Nevertheless the treasury board in its current review of estimates is, I assure you, applying a firm hand to controllable expenditures.

On the one hand, the Minister of Finance is saying he is going to hold the line, but the Prime Minister is saying, when circumstances warrant it, there will be no hesitation about additional public expenditures. There is another example of contradiction and confusion.

It is equally evident that in following that object to fight unemployment, the government, as in so many other fields, lacks imagination in finding new and useful projects to initiate. When we speak in this house we are interrupted by ministers and others who say, well, what are your proposals; what have you got to offer? Even if we do not agree fundamentally with the government's approach, as was made clear by my leader the other day, I should like at this juncture to make some suggestions to the government. Unemployment, as I said earlier, is more serious in the province of Quebec and in the city of Montreal than in any other part of Canada with the exception of the Atlantic provinces. I am going to make three suggestions and I hope that they will receive serious consideration.

The first is for the immediate appointment of a board of engineers for the purpose of studying and reporting upon the economic advantages of linking the St. Lawrence river with the port of New York via the Richelieu river, lake Champlain and the Hudson river. This matter was taken up in the house and is contained in a resolution by the hon. member for Richelieu-Vercheres (Mr. Cardin). It is a problem which is not new. Representations have already been made to the government. This matter was referred in 1937 to the international joint commission. I hold in my hand a copy of the report which was made at that time, and in effect it states this: As soon as the St. Lawrence seaway has been completed this matter of the Champlain-Richelieu canal should be given consideration by the international commission.

I wish I had time to go into the matter more fully. All I can say at this time is this: If it were given consideration and put into effect by a recommendation, of course following a report of a board of engineers, it would put to work thousands of people in an area where work is required.

The second suggestion I have to make has to do with the joint development of power

and navigation in the Lachine section of the river. I will be told at once that this is purely a provincial matter. This is true to some extent, save that in 1947 a board of engineers appointed by the government reported that navigation and power production in the Lachine section was feasible and that if it were put into effect it would bring about greater savings in power development in the Montreal area. It is quite clear that if the recommendations contained in this report were given effect, thousands of people could be put to work.

All we have to do is see what happened in the international section of the river in so far as the St. Lawrence seaway was concerned where at least half if not more of the 25,000 men employed on that project were put to work on power development. If it were possible for the government, which is extremely friendly I understand with the government of Mr. Duplessis in the province of Quebec, to make the requisite representations and to convince him—incidentally it has already been announced by a commissioner of Quebec Hydro—that this is a project which should be undertaken without delay, as I am sure he himself is convinced, it would be a great boon to the area of Montreal.

Finally, I suggest the construction of a new bridge linking Montreal and the south shore downstream from the Jacques Cartier bridge. I am sure, from what I know of the traffic conditions, that there is no member in this house, no matter on what side of the house he sits, who would not be in favour of the construction of such a bridge. As I said earlier, I wish I had more time to deal with these three matters, but unfortunately I must go on.

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

Mr. Chevrier: Providing I am given credit for the interruption because I have a number of matters here with which I should like to deal. Yes, on that condition.

Mr. McGee: I was wondering how the hon. member squares his criticism of government public works projects as an anti-recession measure with his own suggestion for a further extension of public works?

Mr. Chevrier: If the hon. member had listened to what I said he would find that most of these projects are self-liquidating. The bridge is self-liquidating, the power project is self-liquidating and the Champlain-Richelieu project would be self-liquidating if tolls were to be charged.

I should like to commend the government for recommending to parliament the establishment of the Canada-United States interparliamentary group. I believe that that is a useful body. The Canadian section was enthusiastically received in the United States and the speakers of both houses, I have no hesitation in saying, handled the meetings with tact and diplomacy. I should like to warn the Prime Minister, however, that he should not overstate the case, as he did the other day because, after all, this is only one of many such committees and it is hard to say how much will be accomplished by it. A large number of questions were mentioned for discussion—they did not come up for discussion, but a large number were listed for discussion—and of all these questions two seemed to stand out above all the others. The first was defence, and the next was trade.

On the question of defence I should like to say this: we are told that defence must be continental; we are told that defence must be arranged jointly with our friends in the United States, and to that there can be no objection. But defence, I think, is a two-way street. It must be joint not only from the viewpoint of the military aspect but also from the viewpoint of the economic and industrial aspect. What I want to suggest to the government in this respect is the revival of the Hyde Park agreement. This agreement was established in 1941. It was a declaration between the Right Hon. Mr. King and Mr. Roosevelt and it was established for two purposes, the first of which was to relieve the substantial adverse balance of trade which had developed between Canada and the United States at the time and next to make sure that no useless defence production facilities would be produced in either country. The circumstances today are exactly the same as they were then, and it seems to me that the time has come for a revival of the Hyde Park agreement or something akin thereto.

It is all very well for us to be told that there should be joint defence between the two countries, but how can it be joint if on the one hand we are refused the entry of our exports such as oil, lead and zinc. I notice that there is something in the speech from the throne having to do with this question, but that is not enough. I think there has to be far more than that and I think there should be a determined effort by the government to make sure that Canadian companies have the opportunity to bid in the United States market with regard to defence orders. There is very little in the way of defence orders that cannot be manufactured in Canada by our own industry.

I could take as an example the CF-105, and while I know of the difficulties in the way I will suggest that in view of the statements made by Air Vice Marshal Slemon and General Partridge it is an efficient manned interceptor in the light of the requirements for

which it was produced. It would seem to me that this would be a good place at which to start by selling this aircraft to the United States. That is just one example. There are hundreds of other things which could be produced in Canada and which could be sold in the United States.

Mr. Diefenbaker: Would the hon. gentleman allow a question, because I know he took a considerable interest in the revival of the Hyde Park agreement on the occasion of this meeting in August, or so I am informed. Did he find any reaction favourable to the CF-105 being purchased by the United States during his visit to Washington in August?

Mr. Chevrier: I did not discuss the purchase of the CF-105, but I did discuss the revival of the Hyde Park agreement and while I am precluded from mentioning names it was clearly stated to me by one member of the group that there was no reason why Canadian manufacturers should not be allowed to sell their products on the United States market.

Now I want to say a word about the dispute which arose sometime ago between the radio and television producers in Montreal and the C.B.C. which has caused the interruption of the normal operations of the whole French network during the last three weeks and which may destroy the good relationship which existed between the C.B.C. and its employees. This is a matter of deep concern, not only for the parties immediately involved in the dispute but also for all Canadians interested in an efficient broadcasting system in our country. And yet the government has done nothing to help the two parties come to a satisfactory agreement.

The Minister of National Revenue (Mr. Nowlan) stated in the house last Friday that he had taken no action whatsoever with respect to this strike, but then he went on to say that the strike was entirely illegal and, in his own words, that "rationality apparently is one thing that has been somewhat lacking in the situation." The minister, as he said, has done nothing to settle the dispute, and the words he used last Friday to describe the situation will not be useful in bringing about a satisfactory solution.

On the same day, the Minister of Labour (Mr. Starr) said he was not prepared to intervene in the dispute, adding that the parties were seeking to short-cut or ignore the provisions of the legislation designed for the final disposition of disputes dealing with representation, and he implied that he could not intervene under section 56 of the Industrial Relations and Disputes Investigation Act because that section provided for the appointment of a commissioner of inquiry into labour disputes on the basis of a collective agreement. I say to the house and to the minister that this very narrow interpretation is not compatible with the wording of the act. Section 56, subsection 1, reads as follows:

> The minister may either upon application or of his own initiative, where he deems it expedient, make or cause to be made any inquiries he thinks fit regarding industrial matters, and may do such things as seem calculated to maintain or secure industrial peace and to promote conditions favourable to settlement of disputes.

Our legislation provides, of course, for a procedure of certification by the labour relations board. However, that procedure is not compulsory. Representation can still be a matter of negotiation between parties. When it is so negotiated and when such negotiations lead to a dispute, then the minister can intervene and he should do so in major conflicts such as the present one. The failure of the minister to act in this case is another example of fumbling and uncertainty on the part of the government.

The proposal made by the C.B.C. on January 16 was to the effect that the corporation was prepared to recognize the producers association and to discuss with it general working conditions, provided that if at any time there was disagreement between the two parties the dispute would be submitted for final decision to an arbitrator who would be the president of the corporation. This proposal was certainly unacceptable to the producers and would have put the president of the C.B.C. in a most embarrassing position where he would have been at the same time judge and employer.

According to press reports, the producers submitted another proposal to the C.B.C. which seemed far more reasonable. That proposal has now been refused by the C.B.C. which according to a news bulletin this morning has issued an ultimatum to its employees to return to work on Thursday of this week or else lose their jobs.

Mr. Speaker, this dispute has been allowed to go on far too long. Is the Minister of Labour going to sit idly by and allow the C.B.C. to put this ultimatum into effect? If this strike were in the minister's constituency would he allow the situation to develop as it has? If it were in his constituency would he allow his colleague the Minister of National Revenue to rise and say that the strike is illegal? I doubt very much that he would.

If the C.B.C. is allowed to implement its ultimatum not only the producers are in danger of losing their jobs but the French network will lose highly qualified personnel, which cannot adequately be replaced at this time and the public, which foots the bill, is the one that in the last analysis will suffer. It is the clear responsibility not only under

moral law but under the statute, subsection 1 of section 56 which I have just quoted, for the minister to intervene and to do his utmost to bring about a settlement of this dispute.

(Translation):

Mr. Speaker, in closing I should like to touch upon another subject. Recently, two ministers of the Right Hon. Mr. Diefenbaker's government, speaking of our national anthem, said that Canada's national anthem is *God Save the Queen,* and that it is ridiculous to think otherwise. *O Canada,* they said, was a pretty song, but does not enjoy the status of a national anthem.

There we have two ministers who, in my opinion, never understood either the word or the spirit of confederation, two ministers who never understood the true Canadian spirit. And their recent statements are much more calculated to split than to unite this country. Yet when either of them goes abroad, as often as does the hon. Secretary of State for External Affairs (Mr. Smith), to represent Canada, it is not *God Save the Queen,* but indeed *O Canada* that is sung at official meetings.

Under the Liberal government this matter was gone into, and the former prime minister, the Right Hon. Mr. St. Laurent himself, definitely stated the position. In reply to a question from the hon. member for Prince Albert (Mr. Diefenbaker) asking whether, in fact, *God Save the Queen* was Canada's national anthem, Mr. St. Laurent replied that *God Save the Queen* had never been adopted either by the Canadian parliament or by resolution or by proclamation as a national anthem, and that, for many Canadians, *O Canada* was considered as the national anthem.

It is therefore not for two cabinet ministers of the present government to tell us that *God Save the Queen* is Canada's national anthem.

For my part, I shall always respect *God Save the Queen,* and will sing it in chorus with other Canadians when the occasion offers, recognizing it as the royal anthem. But in my estimation, and in the judgment, I am sure, of many Canadian citizens, the national anthem of this country remains *O Canada.*

In closing my observations, I should like to recall the words of Sir George Etienne Cartier, a great Conservative, but first and foremost a great Canadian.

Mr. Tremblay: The words are synonymous.

Mr. Chevrier: He wrote:

Comme le dit un vieil adage:
Rien n'est plus beau que son pays;
Et de le chanter, c'est l'usage;
Le mien je chante à mes amis.

[Mr. Chevrier.]

(Text):

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, in rising to participate in this debate I should like to join with others who have preceded me in offering my congratulations to the hon. member for Provencher (Mr. Jorgenson) and to the hon. member for Montmagny-L'Islet (Mr. Fortin) for the excellent contributions they made in the course of this debate. They have indicated, as has been indicated in earlier sessions, that the Conservative party has a wealth of able young men fully competent to take part in the deliberations of this august assembly.

On this occasion I wish to deal with remarks that were made by the Leader of the Opposition (Mr. Pearson) in his lengthy—and I may add far too lengthy—discursive attack on the record of the government. I shall pass over comments with regard to the somewhat similar remarks made by the hon. member for Laurier (Mr. Chevrier) who has just taken his seat because I am sure that other hon. members who will follow me will want to deal with some of his statements and will indicate very clearly that there is more confusion and indecision in the ranks of the Liberal party than elsewhere in this house. I believe that the hon. member for Laurier and the hon. member for Essex East (Mr. Martin) would do well to confer together a little more carefully before they appear in public and make speeches enlightening the people of Canada as to the confused policy of a confused party.

Mr. Martin (Essex East): They irritated you. My hon. friend does not like criticism. My hon. friend does not want parliament to sit.

An hon. Member: Oh, we saw you on television.

Mr. Churchill: I shall perhaps have some comments to make that will interest the hon. gentleman with reference to his performance last night. He has encouraged me so to do.

In his remarks the other day the Leader of the Opposition, contrary to the practices of this house and in violation of the courtesies of parliamentary debate, drew attention to certain remarks which had been made by the associate deputy minister of the Department of Trade and Commerce for the express purpose of causing embarrassment to a civil servant. The Leader of the Opposition was at pains to point out that Brigadier Roberts had been appointed by this government and that he is friendly to this government. Is this an unusual state of affairs? Are we to infer

that there are civil servants not appointed by this government who are unfriendly toward it?

Mr. Hellyer: Yep.

Mr. Churchill: The Leader of the Opposition had a long experience in the civil service. He was appointed in 1928 by the liberal party of that day and I presume he was friendly to Mackenzie King. In the period from 1930 to 1935 we must assume that he was unfriendly to R. B. Bennett. Allow me to point out to the Leader of the Opposition that the associate deputy minister of the Department of Trade and Commerce, Brigadier Roberts, is one of Canada's most distinguished citizen soldiers and that his appointment has been a singularly appropriate one.

The Leader of the Opposition apparently took a great deal of interest in the program "Press Conference" held on January 7. He obtained a typescript of the proceedings and selected bits and pieces which he thought could be used to bolster up his weak arguments. I also have a typescript and will give a more complete account of the proceedings.

Of course, the television series "Press Conference" which originates in Ottawa is the modern form of the Spanish inquisition. The questioners—they are all friends and will not mind these casual comments—are serious minded individuals obviously out to make a kill.

Mr. Pickersgill: And sometimes they succeed.

Some hon. Members: Yes, last night.

Mr. Churchill: I think perhaps the hon. member for Essex East will agree with me that questions that have a concealed time bomb attached should be presented with a smile to give the person being questioned some idea of what is being asked. But the members of the inquisition, armed with facts, figures and documents, with careful preparation beforehand—sometimes I suspect in collusion—attempt to lay traps for the unwary.

It is an interesting experience. I did not mind it in the least; the usual pleasantries before the program; the drive home together afterwards with an intervening 30-minute period of cut, thrust and parry. I would like to offer my sympathy to the hon. member for Essex East for the difficulties which he encountered last night and my congratulations to him on the nimbleness of his evasive tactics. I think he was saved by the bell, and that he was just about to mop his brow, as Mr. Mikoyan did the other night in his press conference, when the camera faded out. I was disappointed with the hon. member, though, knowing his skilfulness in debate that he so frequently said in answer to a question, "Well, Mr. Pearson answered that the other day", or "Mr. Pearson will answer this tomorrow; you will have to see what Mr. Pearson has to say about it." I had thought that a prima donna waiting in the wings for a call would be able to answer some of those things himself.

Mr. Martin (Essex East): I am sure that in the constructive vein in which my hon. friend is making this very interesting speech he will permit me to ask this question. Does he not think that he and his colleagues would possibly get themselves into less difficulty if they relied more on their leader than they sometimes do?

Mr. Churchill: We have the greatest reliance on our leader; I wish I could say the same for my hon. friend.

In the course of the press conference in which I was engaged there was one double-barrelled question which the Leader of the Opposition mentioned on Monday and of which he did not approve. Here it is verbatim. He gave it; I will give it. This is the way it was phrased:

> Now, which of these two, unemployment or inflation, do you regard as being the greatest threat to our economy during 1959?

When the Minister of Finance (Mr. Fleming) put this question to the Leader of the Opposition, the Leader of the Opposition quibbled and evaded and said, "Of course, it is quite ridiculous to make that kind of mathematical comparison." I gave a much more forthright answer and I am going to give it in full here today. I said this:

> I don't think either will be a threat to our economy in 1959. I think 1959 is going to be a good year, and so it says in the document "The Year-end Review" which came out just at the end of December, because the recession which plagued us and the United States, starting in 1957, has pretty well come to an end. We have made a recovery from that, and 1959, with the way things are going, should be a good year for us. More people will be employed and conditions generally will be better.

The Leader of the Opposition did not read out those words of mine which would have been helpful to him. Then, the members of the press conference came back to the question of inflation later on and I will indicate to my hon. friend that there is no confusion in the minds of the members of the party on this side of the house. We are all together on these problems. Mr. Blair Fraser asked me this question:

> Did I understand you to say you do not think inflation is a threat in 1959?

I replied:

I do not think it is anything like as serious a threat as people have been trying to make out. I think there has been a great deal of talk about inflation, I doubt very much if it is a threat in 1959.

Then I asked this question.

What are the signs of it?

Of course, I was wrong. I should not ask questioners a question. They did not have the answer, anyway.

Mr. Pickersgill: Neither did you.

Mr. Churchill: They went on to talk about inflation. Mr. McKeown said:

Well, is inflation bad enough now that you are in a position that you must take dollars out of circulation in order to equalize the situation?

I replied:

I think the Minister of Finance dealt with this subject in a speech yesterday in Toronto. Have you got that in front of you? You people are very well briefed. He is not alarmed over inflation but he offers the caution to everyone to be careful. Don't blame everything on the government. Other people have to be just as cautious in regard to the handling of money as the government.

Then, let me give you the words of the Minister of Finance himself when he spoke in Toronto in a speech which was praised just a minute ago by the hon. member for Laurier.

Mr. Chevrier: It was not praised; it was cited.

Mr. Churchill: It was praised so much I thought he was enthusiastic about it. The Minister of Finance said this:

I do not deplore the current evidence of concern over inflation. On the contrary, I think it is a healthy sign that people are showing concern for the preservation of the purchasing power of the Canadian dollar. That degree of public concern will, I trust, assist governments and others in grappling with the problem. I am concerned, however, that the discussion of this subject should be realistic and balanced. The danger of inflation exists, as it has existed for the last 20 years. We will not, however, overcome it by exaggerating it beyond all recognition.

Therefore, I say unemployment and inflation are not threats in the sense that the Canadian economy is in danger of collapse from these two problems. They are serious matters that have to be dealt with courageously and vigorously and that is what this government is doing.

The greatest threat to Canada's economy is the attitude of mind displayed on Monday by the Leader of the Opposition. Talking blue ruin, spreading gloom and despondency, arousing fear in the minds of our people, that is the method by which progress can be retarded, that is the method by which confidence can be destroyed, that is the method by which Canada's name can be smeared and doubt and uncertainty aroused in the minds of foreign observers.

Mr. Pickersgill: May I ask a question? Did the hon. gentleman have that view when he and his colleagues made those gloomy speeches about unemployment in 1955?

Mr. Churchill: I am much more an optimist than my friend, formerly from Manitoba. He has lost some of that western spirit and optimism about life. He is fogbound, I think. I was saying, how typical of the Liberal party. That is the age-old weakness of the Liberals, little Canadianism, no breadth of vision, no inspirational leadership; just expediency, carping criticism and small-mindedness. No wonder the people of Canada revolted and by the peaceful method of the ballot swept out of office these men of little vision.

Canadians are proud of their country, inspired by the prospects of a glorious future, eager for advancement and development and ready to follow inspiring leadership.

The leader of the Liberal party is engaged with his brain trust in a task of rebuilding a bomb-shattered party. I suggest to him that he examine the history of his party over the years. He will find that the greatest weakness of the Liberal party from confederation to the present time has been its inability to raise its eyes from the ground and see the far horizon.

Had the Canadian people placed their confidence in the Liberal party from 1867 to 1896 there would have been no transcontinental railway to link the provinces together; British Columbia would not have entered confederation, as was pointed out so forcefully yesterday by the hon. member for Victoria, B.C., (Mr. McPhillips); the prairie west would have been handed over to United States railways; Canada would have failed to achieve her destiny.

The narrow point of view of the Liberal party was demonstrated by the leader of that party during the spring election campaign. His reaction to the Conservative policy of developing the Canadian northland, a policy so brilliantly depicted by the Prime Minister (Mr. Diefenbaker), a policy being so ably developed by the Minister of Northern Affairs and National Resources (Mr. Hamilton) was ridiculed by the Leader of the Opposition. In his words you can see the attitude of the Liberal party toward development. This is what he said as reported in the Montreal *Star* of March 1. These are his very words:

They are going to build a highway in the Arctic, beginning at one igloo and ending at another.

The same attitude of mind has characterized the Liberal party with regard to the

commonwealth. "Play down the commonwealth" has been the Liberal slogan for 40 years. In his speech on Monday the Leader of the Opposition once again played down the commonwealth. Here are his words, as reported at page 44 of *Hansard*, with regard to the commonwealth conference held at Montreal in September last:

> There was nothing unique about it in its assembling or its results.

I was not surprised at his statement, for a few years ago I examined the record of the hon. member with regard to the commonwealth. I searched *Hansard* for his comments and I read his words. It was an unrewarding experience. I then recorded my findings, and as he has been quoting from some of my speeches I will quote from some of them too just for the record and for the advice they may offer to the Leader of the Opposition. This is what I said on November 27, 1956, as found at page 101 of *Hansard*. I was speaking then of the person who was then secretary of state for external affairs, the present Leader of the Opposition, and this is what I said:

> I wish he would speak more frequently on the commonwealth in the House of Commons. I have examined the number of times the Secretary of State for External Affairs has dealt with the British commonwealth of nations in the House of Commons. He has been goaded into making statements by people mentioning the subject here or asking him questions; but he has not, certainly in recent years, himself made a speech on the British commonwealth of nations.

Then, on January 22, 1957, I was speaking on the address in reply to the speech from the throne, I hope the last speech from the throne that will be issued by the Liberal party certainly for a generation. In that throne speech were these words:

> My ministers remain convinced of the need to maintain the basic unity of the commonwealth—

As found at page 524 of *Hansard* for January 22, 1957, I said:

> This is indeed an unusual sentence. No such reference to the commonwealth appears in any speech from the throne from 1949 to the present time. Here and there in the preceding sessions casual reference was made to the commonwealth in those years in which commonwealth conferences were being held but this is the first occasion since 1949 on which the commonwealth has received special attention in the speech from the throne.

I suggested that the phraseology should have been as follows:

> My ministers, and particularly the minister of external affairs, have suddenly discovered the British commonwealth of nations. Heretofore they have been only half conscious of its existence and have made little or no effort to maintain the basic unity of the commonwealth or even mention the subject.

The commonwealth conference held at Montreal was far from being just one among many. It was a unique conference. It was the first full-scale commonwealth conference on trade and economic problems held since 1932. It was the largest commonwealth conference ever held and one of the largest international conferences held in Canada. It was unique in scale, in the coverage of trade and economic policy matters that were dealt with, in the intensive preparations preceding it, in the number of ministers and senior officials attending from each government and in the scope and far-reaching nature of its results. It not only strengthened trade and economic ties among the commonwealth countries but it gave new impetus to multilateral policies on a world-wide basis. Many of the matters on which agreement was reached at the Montreal conference are now being followed up in broader world-wide forums such as the international monetary fund and the GATT.

This commonwealth conference came about as a result of Conservative party policy expressed repeatedly down through the years, and no one has expressed that policy more consistently or more vigorously than the Prime Minister. It was his suggestion that such a conference be held. The groundwork was laid for the conference at Mont Tremblant a year earlier when the finance and trade ministers of the commonwealth assembled.

The results have been excellent. A basis has been laid for enlarging commonwealth trade and a basis laid for strengthening the commonwealth. The Prime Minister's recent visit to most of the member countries of the commonwealth has been just one more piece of evidence of the importance that the government places on this association of free and independent nations, and one more instance of the inspiring leadership of our Prime Minister.

What the Liberal party has never realized and does not now recognize is that Canada's status in international affairs owes much to her membership within the commonwealth. Nor does the Liberal party see that by the turn of this century Canada will occupy a position of even greater importance within the commonwealth and that that free association of nations, united under the crown and operating under the parliamentary system, will be an even stronger force for the maintenance of the freedom of mankind.

The Leader of the Opposition's flippant attitude towards the commonwealth is paralleled by his equally flippant attitude towards Canadian-United States relations.

Mr. Martin (Essex East): The hon. gentleman has just said that the Leader of the Opposition made flippant remarks concerning the commonwealth. Surely the hon. gentleman meant the commonwealth conference.

Mr. Churchill: I accept the correction—the commonwealth conference. On some occasions the hon. member for Essex East can be unusually helpful.

Mr. Martin (Essex East): I am always happy to help drowning individuals.

Mr. Churchill: I am sorry I was not standing beside the hon. member last night at the conclusion of the press conference. I say that the attitude of the Leader of the Opposition towards the commonwealth conference is paralleled by this attitude towards Canadian-United States relations. He accuses the government of uncertainty in its attitude to the United States. The fumbling and bumbling of the Liberal party over the years with the United States has been part of the multitudinous errors of the former government that we have been successfully overcoming.

Thanks again to the leadership of the Prime Minister, Canada has made another advance in international affairs and relations between our country and the United States are on a better footing than they have ever been before. The Prime Minister faced up to the issue with courage in his speech at Dartmouth over a year ago. He has established the friendliest relationship with United States leaders. He has given encouragement to the meetings of cabinet ministers with the United States administration. Under his direction the latest development has been a committee of both houses to confer with representatives of the United States senate and house of representatives. At no time in our history has there been a better understanding by the people of the United States of the Canadian position. Never before has there been as wide a coverage of Canadian affairs in United States papers.

The timorous attitude of mind, so typical of the Liberal party, was due to the policy pursued by the Leader of the Opposition when he was secretary of state for external affairs. In those years he was tip-toeing through the tulips, afraid to say boo to a goose, and during the last two years he and his colleagues have attempted to portray the Conservative party as being anti-American. I well recall that when we took office 18 months ago the official Ottawa attitude was: Be careful what you say to the Americans, they might take offence. Members of the Liberal party have endeavoured to convey that type of fear ever since.

The Leader of the Opposition made some remarks concerning a speech I delivered in Chicago some time ago, and he thought that this was an expression of opinion at which he might cast some ridicule. I was referring, and the audience in Chicago understood this very well, to the type of remarks made by our political opponents. As a result of this attitude during the last two years the impression created in the United States was that Canada was turning anti-American.

I had the good fortune to speak to the economic club in New York earlier. I am sorry that the Leader of the Opposition did not read my speech there and quote from it. The executive director of the economic club of New York came here twice to confer with me with regard to the nature of the speech I might make there. He said, "The impression that has been created in the United States"—it could only have been created by our political opponents—"is that your new government is opposed to Americans." He said, "Come on down and tell us about the things that are bothering you in Canada." I said, "All right, I will speak about the irritants in Canadian-United States relations", and I did. Of course, I was advised that I would be considered anti-American so I took the audience in New York into my confidence. I told them I had been advised by certain people that if I spoke in this fashion I would be considered anti-American.

They just loved it. After the conclusion of the speech the chairman said, "If this is anti-Americanism, give us more of it". I am sorry I have not the time in which to give some quotation from that speech I made in New York. I followed a somewhat similar line in a similar speech made in Chicago. The Americans like straightforward talk. They understand Canadians and we understand them. They are prepared to consider the difficulties that arise normally in the trading relations between our two countries.

The Leader of the Opposition then went on to talk about our trade with the United States and he again passed the remarks that he has made so often with regard to what he has called a policy of diversion of trade. Our policy has been an expansion of trade. Over the years we have taken the stand that it has been wrong to have all of our trade with the United States of America; that our trade should be world-wide; that if our trade is concentrated with one country, then we are likely to suffer when that country has a set-back or perhaps has a change of opinion with regard to some of the things that enter it. When there has been over the years a serious imbalance in our trade with one country, it is only prudence to attempt to expand your trade elsewhere in the world. That is exactly what we have done and we have had success in doing it.

Hon. members on the other side, members of the Liberal party, spoke words of derision with regard to the trade mission which visited the United Kingdom a little over a year ago. It was so successful that, of course, they had to find fault with it; and the long term results of that trade mission are being felt now in Canada. That was just one move in the general direction and following the general policy of expanding our trade throughout the world. After all, Canada is a trading nation. It is the fourth largest trading nation in the world. About one out of every five Canadians is dependent upon our export trade.

The Leader of the Opposition attempted to show that our export trade and our trade generally had declined. Let me put this on the record. On the basis of figures available to date—that is from the dominion bureau of statistics—world trade declined by approximately 7 per cent in 1958 and United States industrial production was also appreciably lower. The fact that Canada's exports were maintained in the face of these adverse conditions is a reflection not of weakness but of the underlying strength in Canada's present trade position.

In this connection a comparison of current trends with those in 1954 is relevant. The 1954 recession in the United States was milder than the recent one and European economies had continued to expand. Nevertheless, Canada's exports in physical volume terms declined three per cent between 1953 and 1954. In short, our exports have faired better in 1958 despite a weaker international situation. Our exports have been equal in 1958 to those in 1957 which established a record.

The Leader of the Opposition and his colleague talk about trade but they do not get down to the basic facts or give us the information which is required in connection with these matters so that the people can form a fair comparison. The Leader of the Opposition also talked about our wheat exports and once again, as he has done in the past, he mentioned the fact that they had exceeded those of the previous year. Then, of course, he threw in a gibe about this being due to gifts and long term loans under the Colombo plan. I hope the Leader of the Opposition was not attempting to give the impression that he is opposed to making gifts of surplus food to hungry people within the commonwealth but that is the impression that he is creating by these remarks.

Mr. Pickersgill: Nonsense.

Mr. Churchill: Our wheat and flour exports in the crop year 1957-58 reached a total of 316 million bushels, an increase in actual cash sales of 22 million bushels without taking into account the gifts and loans which followed and put the total over the 300 million mark. That has been a substantial achievement and has greatly improved the economy of western Canada.

As a matter of fact, for those who are critical of the government's policy with regard to the export of wheat and with regard to agriculture, the following information might be interesting. In the year-end report of the minister of agriculture of Manitoba, Mr. Erik Willis, I find that everything was better in Manitoba in 1958, with one small exception. The field crops brought in a return of $168.2 million; farm animals, $64 million; wool, $128,000; dairy products $32,600,000; garden products, $9 million; poultry products, $28,725,000; and fur farming, $3.6 million. All of these figures are higher than the figures for 1957. The only place where there was a lower income to the agriculture population of Manitoba was in the production of honey and wax which dropped down about $50,000. I suppose that is the fault of the bees and not of the bee farmers.

We find there an instance of the actual practical effects of the policy followed by this government with regard to the export of agricultural products and the stabilization of the industry of agriculture.

Mr. Benidickson: Will the minister permit a question?

Mr. Churchill: Surely.

Mr. Benidickson: I was wondering whether the minister would bring the house completely up to date and give it the information that his department gave to the country yesterday, namely that exports in the first four months of the crop year are at a three-year low with respect to wheat.

Mr. Churchill: I wonder whether my hon. friend is accurate in his statement. The beginning of the crop year is August 1.

Mr. Benidickson: Yes.

Mr. Churchill: From there up to January 7 the figure for the export of our wheat is close to what it was last year. I think it is a matter of only 10 million bushels below that figure of last year. That fact can be accounted for because of the longshoremen's strike which prevailed in Vancouver during the summer and cut down our shipments of grain from that port. However, the prospects are for the exports of wheat to come close to what they were for the crop year 1957-58. I think my hon. friend should

check his figures again before he makes a statement such as the one he made.

Mr. Benidickson: I am referring to the minister's release of yesterday which was reported in the press this morning.

Mr. Churchill: Has the hon. member the figures there?

Mr. Benidickson: Yes. Of course the dominion bureau of statistics simply refers to the first four months of the present crop year and refers to the fact that only the United States among the four of the world's major exporters, showed an increase in that period. According to the minister's latest report Canada's exports went down. I have not, of course, the minister's information up to January. I was glad to get it.

Mr. Churchill: I was giving the figures for six months. I am sure my hon. friend is completely reassured and knows, as we do, that the export position with regard to Canada's wheat and flour is in good shape. I hope he will not worry too much about that matter and that he will have a better outlook on life.

I was going to say that what the Leader of the Opposition overlooked when he was talking about loans and gifts of wheat from this country is the effect those have on increasing employment. It is a very interesting table when you examine the amount of employment that is caused by the shipment out of this country of, say, one million bushels of wheat or, as it was under that plan of long term loans and gifts, 32 million bushels of wheat.

It runs into so many thousands of truck loads from the farms; hundreds of box cars are required to be loaded with this product and a large number of ships. All the way down the line you have the farmers bringing the wheat in to the elevator, the elevator agents checking it, railway cars carrying it to seaboard, and longshoremen assisting in loading it. It requires 600 cars to move one million bushels of wheat. All the grain moved during the last crop year required 280,000 cars. About $700 million was paid out to farmers during the last crop year for their wheat, oats and barley. This is a tremendous business in which the Canadian agricultural population is engaged, and it constitutes one of the largest factors in maintaining our export trade.

Mr. Speaker, my time is running out, and I do not intend to burden the house with tables of figures. Some of this information can be given at a later stage in the debate. However, I should like to point out and re-emphasize the fact that despite the recession which affected this country, the United States and some other countries, Canada's export trade established a record in 1957 and it was maintained in 1958. The prospects for 1959 are very good indeed. On the basis of the information which has been assembled, we face a future in which we can have confidence. All the talk we heard from the blue ruin boys can be dismissed.

There is before us an opportunity to enlarge our trade with the United Kingdom, with the commonwealth generally and with the world as a whole. We will do our level best to enlarge our exports to the United States. The hon. member for Laurier (Mr. Chevrier) mentioned something about this a little while ago, but his government did nothing about it. Now, he tells us to take a firm position on some stand or other which they, themselves, never took. Our trade position is good. It is improving, and conditions generally throughout Canada are improving. As the Minister of Finance (Mr. Fleming) has pointed out, we are not suggesting that a boom is in prospect but a steady upward growth, and that is precisely what is good for the economy of this country.

When we come to the amendment moved by my hon. friends and the suggestion they make that that amendment is a reflection of the opinion across this country, I will say to them that the amendment is going to be overwhelmed by the votes of this house and it will be overwhelmed by the opinion of the people across Canada. They have confidence in the government of this country, and they have confidence in the inspiring leadership which is being given by the Prime Minister.

Mr. W. H. McMillan (Welland): In rising to take part in this debate, Mr. Speaker, I first want to congratulate the mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address in reply for their contributions. They both did exceedingly well. I realize, however, that the speech from the throne was not of their making. In my opinion there is nothing in the speech from the throne to correct the ills that beset us in this country where we have so many natural resources. Traditionally, these hon. members made reference to their own constituencies and this was very interesting. I should like to follow their example and make some reference to my own constituency of Welland.

We have fine people living in the constituency of Welland. Anglo-Saxon people comprise the majority of our population, but during the last generation or so we have had a great influx of French-speaking Canadians as well as people from southern and western Europe. These people live in complete harmony, and they and their descendants are making a fine contribution to our Canadian

way of life. There is no other part of Canada that I would rather represent than the constituency of Welland.

Our Prime Minister (Mr. Diefenbaker) graced Welland with a visit last March during his election tour. No one took the trouble to invite me to that meeting but I learned what occurred there. I can assure the Prime Minister that if he will come back now, he will have an even larger meeting. Some of the people who attended the last meeting said they would provide him with a theme song, "Oh, Promise Me". The meeting the Prime Minister held in Welland was, in part at least, composed of a captive audience because school children were brought in by the bus load from schools in the surrounding school areas. Then, too, many people arrived at the meeting at no cost to themselves because a canvass had been made and car drivers were paid $5 and $10 to deliver loads of people to that meeting.

There were many people, however, who attended the meeting without any urging. I refer now to the unemployed and the fruit and vegetable growers. What they heard from the Prime Minister in the way of promises must have been music to their ears. According to the press, he promised the unemployed that no one would suffer as a result of unemployment as long as he was Prime Minister of Canada. He went even further than that, and this was afterwards echoed on television by the Minister of Labour (Mr. Starr) when he said that the unemployment would be pretty well cleared up by mid-summer. Mid-summer has come and gone and many of these same men and women are still unemployed. Their numbers have greatly increased in the Welland area.

At the time of the June election when this government came into power, we had comparatively few unemployed. When the Prime Minister was in Welland the number stood at about 2,400. Today it is difficult to ascertain the exact number. I am told it is in the neighbourhood of 4,000. These figures used to be published, but they are not published any longer. The reeve of one municipality told me that the relief rolls were up by about 400 per cent over those of a year ago. In the practice of medicine I meet and treat many of the unemployed. I know that they want work and not the dole. Many of them have purchased homes, furniture and the other necessities of life. They have had to go into debt and they cannot meet their obligations. Surely this government should soon realize that it does not help the peace of mind of the unemployed to be told that while unemployment is greater this winter it is not increasing as greatly percentage-wise. Last night I believe the Minister of Finance, speaking in the Chateau Laurier, used the word "proportion", and said that the proportion of increase of unemployed was not as great.

When a man is out of work, just getting a mere subsistance for himself and his family, these vague percentage quotations by the government do nothing to lighten his burden. I feel heartily sorry for the unemployed and our government is doing nothing to provide work for the younger people coming into the labour market. The new federal-provincial scheme to help municipalities provide work for the unemployed by helping to provide new projects for the municipalities is of little use. It is too little and too late.

The St. Catharines *Standard* for example, a few days ago had an article which said that not one man hour of work had been provided in that city for the unemployed by this scheme. Also, I have a letter here from the city of Welland claiming that the help provided under this scheme is too restricted. This was written to me by the city clerk of Welland, and he says that the council and corporation of Welland at its meeting on January 6, 1959, viewed with alarm the narrow limits of unemployment assistance and work projects available to the smaller cities in the province of Ontario. I know that this scheme is of little help in the towns and smaller cities. I am not familiar with how the scheme might work out in the larger cities, but I fail to see that it can be of any great help, particularly since I have seen the figure given out by the Department of Labour. Canada cannot afford to have so many people unemployed and non-productive. There is nothing which breaks the spirit and morale of a person more than idleness. Canadians deserve the right to work.

At the meeting in Welland the Prime Minister also dwelt on the poor returns received by fruit and vegetable growers for their products. I agree with the Prime Minister that they should have had a greater share of the national income. But what has happened since this government came to power? Many of these fruit and vegetable growers tell me that their costs have risen and their returns for 1958 in respect of their crops have been the worse since before the war. The Prime Minister made a very emotional appeal. There was a fine old lady at that meeting who came from a farm community. She wept because she said she had never heard a man speak with such sympathy for the farmers as did the Prime Minister that day. The price of asparagus was very much to the fore.

Spring was coming on, and these producers were very much concerned about the price. In the year before, under the Liberal government, the price had fallen from 23 cents

to 22 cents and in some cases to 21½ cents. Now what has happened? The present government set the floor at 18 cents under which they placed a three cent deficiency payment, and asparagus has never since that time sold above 15 cents in Ontario and 14 cents in British Columbia. In the province of Ontario the government paid a deficiency payment of three cents a pound so that the producer in Ontario got 18 cents and the producer in British Columbia received 17 cents.

As for peaches, the floor price was set at $83 a ton which is the lowest price received by the peach growers for grade A peaches since before the war. I understand that the government has not yet settled with the growers for this year. We understand that cherries could not be all sold and that much of the crop rotted on the trees. The cold storage plants took all they could but according to the last information I received before Christmas the farmers had not been paid for this fruit put into cold storage. There is one big chain store in the Niagara district which was selling American table corn when our corn was ripe. You could stand in the store and look out the window and see the farmers harvesting their corn in the adjoining fields.

I think that our unemployment and our depressed economy are in a considerable part due to the trade and fiscal policies of this government. I will give some examples of each. Hon. members will recall that in June of 1957 our economy was good. In fact, it was so good that the Prime Minister said he could divert 15 per cent of trade from the United States to Great Britain. Hon. members will also recall that about the same time, or shortly afterwards, the United States accommodated the Prime Minister by cutting off 15 per cent of our oil imports into the northwestern United States. Then, in December of 1957, this government sent a buying mission to Britain; they were to buy and not to sell Canadian products and this was done at a time when unemployment in Britain was very low and when in Canada we had plenty. We got a report from that buying mission. This report was printed in Toronto and not by the queen's printer. Oddly enough, that report refers to nothing that was bought. It reads something like the social column of a woman's page in a newspaper. It says whom the delegation visited, by whom they were received, how they were entertained, when the Minister of Trade and Commerce (Mr. Churchill) joined the group, when he left it and when he rejoined it.

The only inkling I received that a big trade switch was on was in a Port Colborne newspaper. The Minister of Trade and Commerce was there, according to the paper, and he announced that the government intended to switch even more trade from the United States to Britain than it had already done. I can thank the hon. minister for helping to elect me because by that time our unemployment in the Welland area had increased from practically nothing to about 2,400. I argued that if the big switch had helped produce that many it was surely time to call a halt to that type of cause of unemployment.

This evening I heard the minister refer to the fact that we would in time see the long term result of this attempt to switch trade to Britain. I do not know anything about the long term result; I am giving one of the short term results. I have always been greatly interested in Canada's effort to promote trade with Britain. Since our trade with the United States has been cut by about 15 per cent I wondered why our trade with Britain had not been increased. Following our buying mission to Britain, however, our imports went down by 7.6 per cent in the third quarter of 1958 and by about 1 per cent for the first nine months of 1958.

It appears to me that before our government meets in conference with the United States or even with members of the commonwealth it always seems to give them a slap in the face first. We all recall the first conference of our four ministers with their opposite numbers in the United States when secretary of commerce, Sinclair Weeks, said to reporters: "we fixed them." I know that the Minister of Finance (Mr. Fleming) got another explanation to mean that he meant: "We fixed them up". But the newspaper accounts, even in the Toronto *Globe and Mail* at that time talked about the brush-off our ministers received in Washington.

The United States is our best customer, and living along the border as I do I have an opportunity to see many of the Buffalo and Niagara Falls newspapers, among others, which circulate in our area. I have had the opportunity to read them over the years. Some have said quite openly that if the Canadian Prime Minister and his followers acted as some of them were talking, the election foreboded a difficult period in trade and other relations between the United States and Canada. One paper in my area—a paper that supports this government—went so far as to say it would not be surprised if incidents occurred between Canadians and Americans living in the Niagara district.

The United States press referred to the diversion of trade proposed by this government and later on in one or two dispatches from Ottawa it was stated that Canadian raw

materials such as iron ore would be processed in Canadian plants and not shipped south of the border to give jobs to people in the United States. I think it is fine to process all the raw materials we can but I could not conceive of a worse preparation for a conference with our United States friends.

How about the commonwealth conference itself? We have had two of them, first the Mont Tremblant conference and latterly the Montreal conference. The preparation for the Montreal conference involved an added tariff, as hon. members will recall, placed on British woollens, a procedure of this government that certainly did not go unnoticed by the British government.

I have in my hand a copy of *Hansard* of the British House of Commons of December 2, 1958 when the government of that country debated commonwealth affairs and I shall quote extracts from the speeches of a Conservative member, a Labour member and a Liberal member. I should like to ask some of the members of the Conservative party in this house to read what Sir Albert Braithwaite said about the Montreal conference. The Minister of Trade and Commerce (Mr. Churchill) said that the commonwealth conference was unique. We shall see how unique it was. These are the remarks of Sir Albert Braithwaite the Conservative member for Harrow West:

> First of all, I should like to pay tribute to the Chancellor of the Exchequer and the president of the board of trade for the brilliance which they displayed in leading our own delegation to the Montreal conference. Reading between the lines, it seems to me that what they did there literally saved the conference from being almost a stalemate. They infused some life into it. At the same time I am not satisfied that the conference report is by any means a document upon which to rebuild and revitalize the British commonwealth of nations. Its implications are narrow. It is phlegmatic. It is not precise enough in its conclusions, and it gives no real, positive direction on how even those conclusions will be carried out.
>
> I wanted something much more vital to lead our commonwealth affairs than a lot of pious platitudes. Many people have said a great many things about how we should develop the commonwealth but there has been a remarkable absence of action since the Montreal conference took place. The Canadian Prime Minister came over here and made great speeches on what should be done, but I have seen no real reflection in deeds implementing the words which he uttered.

Mr. Benidickson: They make nice speeches.

Mr. McMillan: I shall quote a brief extract from the remarks made by the Labour member, Mr. Douglas Jay, Battersea North, who after speaking about the imbalance of trade between Canada and Great Britain, went on to say:

> Yet what has happened? Only this summer Mr. Diefenbaker's government actually raised their tariff against British woollen goods, only a month or so before the Montreal conference. If I am wrong and this increase has not been put into force, I hope that the president of the board of trade will tell us. Here is an essential British export to a dollar market, produced by one of our most important industries, which at the moment is acutely depressed, and yet Mr. Diefenbaker, who professes, I am sure sincerely, to have great enthusiasm for Anglo-Canadian trade, raises the tariff against British woollen goods just before the conference.

I shall quote just one sentence from the speech of the Liberal member, Mr. Arthur Holt of Bolton West, who put his reaction to the conference in these words:

> The government appears to be advancing backwards by stealth.

Mr. Benidickson: What government was he talking about?

Mr. McMillan: The British government.

Mr. Fulton: Too bad.

Mr. Benidickson: Good try, though.

Mr. McMillan: I was interested to hear my leader put on the record the statement that our imports from the United States were down 15 per cent and in fact dropped 1 per cent from Great Britain and over 15 per cent from other parts of the commonwealth. Why did we send a buying mission to Great Britain? What did it accomplish? The United States increased its imports from Great Britain by 15 per cent without sending a buying mission to Great Britain. We increased our imports of oil from Arabia and textiles from Japan without sending a buying mission there unless the Minister of Finance himself was a buying delegate in Japan to bring in more textiles from that country thus putting more of our men out of work.

I have already criticized the conversion loan in this house. Among the costly failures in Canada's history I think it ranks in first place. It was costly to the taxpayers who are being called on to pay high conversion costs as well as high interest rates for a generation. It was costly also to the bond holders themselves who listened to the great patriotic appeal of the Prime Minister and the Minister of Finance. I understand these bonds hit a low at $93.50 in Toronto. Their depreciation was much faster than the 4½ per cent interest could accrue to them. The Minister of Finance referred to the conversion as an outstanding success. It was a success in magnitude only but in no other sense. These bonds have depreciated because of the minister's need for new money to satisfy this government's wild overspending.

I know the Minister of Finance says he will have a current deficit of approximately $700 million but when you take into consideration $171 million, the last figure I heard, taken by sleight of hand from the

defence equipment account which had nothing in it to start with, and when you also consider the extra amount of deficit for the Canadian National Railways and other accounts and also consider the depletion of the unemployment insurance account—which I understand decreased by $21 million last month alone—this government will have cost us well over $1 billion in excess of revenue this current fiscal year.

It is difficult for us to conceive what $1 billion means and to appreciate at what a rapid pace this government is overspending. The first world war lasted about 4½ years from the declaration of war until complete demobilization. In that time about 644,000 men and women were in uniform of whom approximately 500,000 went overseas. And yet, by comparison, that war cost only $1.6 billion. This government approximately every 18 months is overspending at a rate equal to the cost of that war which lasted 4½ years. I know that someone will say there is a difference in the value of money between then and now and I appreciate that is so, but meats in those days were high, furniture was just as costly as today and I recall that an ordinary tailored suit of clothes cost approximately $90. I remember that sugar at one period was selling at close to $30 a hundredweight.

A billion dollar deficit equals a deficit every day of the year amounting to approximately $3 million or about $125,000 an hour. Most towns in Canada with a population of from 3,000 to 5,000 have an assessment of approximately $3 million. This indicates that our Minister of Finance is overspending by the amount of the assessed value of one such town every day of the year and we do not have too many towns of that size in Canada. Or, in other words, the value of a $10,000 farm goes down the drain in overspending every 4½ minutes. The man who goes into a bank to buy a $1,000 bond should realize he is providing this government with its overspending—not its spending—for just one-half minute.

The total budget of the state of New York including revenue and expenditure is only $1.6 billion and I have here the New York *Times* to prove it. Our total increased debt this fiscal year will almost equal that amount.

Today Canadian bonds are not too popular in New York. I have the New York *Times* of January 18 here for anybody to see, which reports all foreign bond transactions for the previous week on the New York bond exchange. One lone Canadian bond, a $1,000 two-and three-quarter per cent bond, due in 1974, sold for $85.50; as against this, $395,000 of Australian bonds exchanged hands. One $1,000 bond of revolutionary Cuba, 4½ per cent, due in 1977, sold at $104.25. This particular Cuban bond had a 1958-59 low of $102 and a high of $106. The financial markets evidently consider the 4½ per cent long term Cuban bonds, either under the Batista or Castro governments, a better risk than the 4½ per cent long term bonds of the Diefenbaker government.

I have often followed the bond market and I have never seen so few Canadian bonds traded in New York as during the last six or eight months. Is it because the financial people of the United States started to discount the fiscal policy of this government long before we did ourselves?

One big argument in the conversion loan was that the Minister of Finance did not want to have so many bonds overhanging the market; therefore, he called in all victory bonds up to 1967. Today he has many millions of dollars overhanging the market in 30, 60 and 90-day and other short term loans, and the bond buyers have lost confidence in this government, as they will not buy even though bank deposits are the highest in our history.

A banker lends money to a creditor if the manager thinks he is a good risk; but if he becomes a spendthrift or otherwise shows that he cannot handle his money wisely the credit is withdrawn. This is exactly what the people of Canada have done to the Minister of Finance. They have called a halt to his wild spending by refusing to buy his bonds at the fast rate he requires. It is just as simple as that, no matter how much the Minister of Finance confuses us with such terms as bank rate, bills of exchange rate, short and long term money rates, and so on.

The bank presidents and many other financial men have been giving pretty pointed direction to the Minister of Finance, but he has paid no attention to them during the last year. He paid attention only when the people started to cut him off from unlimited funds. Only the other night in Toronto did he relent and say that he would have to cut down on his spending to save the value of the dollar. To paraphrase Winston Churchill, surely no one in the history of our country has done so much to so many. He has spent all the money that had been saved up over the last 10 years; he has rolled back our debt structure to that of 10 years ago, and he is in a fair way of spending much more, but the Canadian people are not going to let him. They are already saying, "no" in no uncertain terms.

This government has discouraged investment capital from the United States. The Bank of Canada and the other banks are glutted with bonds, using money which is

on deposit and which is needed to help us out of this recession and to develop our economy. The Minister of Finance has led us to the brink of financial catastrophe and I can assure him that the Canadian people do not want any more of that brinkmanship in our fiscal policy. Our financial policy is serious and the fiscal policy of our government is contributing to unemployment by setting a pattern of high interest rates for our provinces, our municipalities and our large and small businesses.

As an example, our municipalities cannot pay high debenture interest on capital expenditures for projects that might provide employment. Our fiscal policy is also inflationary, as heavy short term borrowing is not too much unlike the printing of new money.

The other day the Prime Minister, in justifying a deficit, said that there had been budgetary deficits in 21 of the last 36 years. In other words, the Liberals in that time had 15 surpluses. This compares with only two surpluses of as much as $1 million that the Conservatives have had altogether since confederation. I do not think there is much chance of the present Minister of Finance ever reversing himself because he is wallowing deep in debt.

I heard the Prime Minister criticize the Leader of the Opposition (Mr. Pearson) concerning an article written for the Canada supplement of the London *Times*. I am sure the Prime Minister knows that no decent Canadian would ever want to wash so much dirty Canadian linen in a British newspaper.

Mr. Pallett: One cannot believe what he writes or says, then.

Mr. McMillan: It put me in mind of the time Winston Churchill was in New York and was asked what he thought of the Attlee government. He replied that when he was out of his country he never criticized his government but when he was home he never left off criticizing it. Surely, this great Conservative leader of all time, Winston Churchill, has by example long since shown us the way to keep our Canadian family affairs at home and the Leader of the Opposition has done just that. For doing so, however, he has suffered unfair criticism and ridicule from our Prime Minister.

I hold in my hand an editorial from the December 31 issue of the Toronto *Globe and Mail*. I wish to read two sentences from it. The heading of the editorial is, "Twelve Months of Mystery", and reads in part as follows:

> In his New Year's message to the Canadian people, Liberal Leader Pearson refers to the "distressing dilemma" of rising prices and inflationary pressures in a period of recession and unemployment. Dilemma, irony, anomaly, farce or tragedy, mare's nest or monkey puzzle—one might call it a great many things.

Let us call a halt to this monkey business in finance. We do not want to sink into another mess like the conversion loan.

Last year the Minister of Finance said that this government did not need to take advice from anyone, and he emphasized this by saying, "let there be no question about that".

I used to listen to the hon. member for Greenwood (Mr. Macdonnell). I am sorry he is not in his seat. He was the opposition financial critic of the former government. I could not always agree with him, yet I thought he spoke responsibly and his views on finance were, in my mind, sounder than anything displayed by anyone so far in this government. I cannot help but express to this house the secret hope that the Minister of Finance would consult him for direction. I feel that if he had done so from the start he would not be in the financial mess in which he finds himself today.

I would like to quote one last paragraph from this *Globe and Mail* editorial "Twelve Months of Mystery". Perhaps it should read, "Mystery of Life Under the Tory Government." However, in the last paragraph of this editorial in the *Globe and Mail* I find the following:

> As we say, a peculiar year; a year in which our economy found itself very much out of balance, if not indeed out of control. Sweeping changes are obviously in order from top to bottom of our economic life; and this will require strong leadership. We have a right to expect, and demand, such leadership during 1959 from those in a position to provide it.

I hope the government can provide it.

Miss Margaret Aitken (York-Humber): Mr. Speaker, before embarking on a few comments I should like to add my voice to the congratulations to the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne. Like previous speakers, I was very impressed with the speeches that the hon. member for Provencher and the hon. member for Montmagny-L'Islet made, and I congratulate them.

I was surprised, Mr. Speaker, and continue to be surprised that we should have heard so much gloom, doom and criticism from the Leader of the Opposition (Mr. Pearson) and now from his followers. I was surprised because it is quite obvious that he is still far removed from the grass roots in the country. You will remember that when he became leader of the party he said that it was time

that the Liberals got away from the brass and back to the grass. I was surprised to hear all this gloom and doom because, as I think most of us will agree, one would have thought that after our four-month recess the Leader of the Opposition would have a better idea of what the people of Canada, the grass roots, are really thinking.

Personally, I am extremely gratified at the political consciousness of the people, certainly those in my constituency of York-Humber, and I am grateful for their awareness of the problems that face us all in Canada. I know that the Prime Minister (Mr. Diefenbaker) has played a major role in sparking the interest of the people in our national welfare. He has the great gift of getting close to the people, of inspiring belief in him and in his honesty, courage and deep sense of responsibility.

On the other hand, nothing will convince me that the Leader of the Opposition, in his pitiful pessimism, is speaking for the people of Canada, the grass roots of Canada. He may have been speaking for the sadly decimated Liberal party but certainly not for the people of Canada. There are three or four items I should like to speak about with reference to the speech from the throne. Shall I go ahead or shall I call it six o'clock?

Mr. Speaker: Has the hon. lady leave to call it six o'clock?

Some hon. Members: Agreed.

At six o'clock the house adjourned, with out question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

INDIAN AGENCIES AND BANDS—VISITS BY MINISTER

Question No. 8—**Mr. Howard:**

1. Has the present Minister of Citizenship and Immigration visited any (a) Indian agencies; (b) Indian bands or villages?
2. If so, which ones and upon what dates were the visits made?

Answer by: **Hon. Ellen Fairclough (Minister of Citizenship and Immigration):**

1. (a) Yes; (b) Yes.

Questions

2. October 1, 1958, Six Nations Indian agency; Six Nations of the Grand river band. October 2, 1958, Walpole island Indian agency; Walpole island Indian band.

UNEMPLOYMENT INSURANCE FUND

Question No. 22—**Mr. Robichaud:**

What was the amount remaining in the Unemployment Insurance Fund, on December 31, 1955, 1956, 1957, 1958?

Answer by: **Hon. Michael Starr (Minister of Labour):**

Balance at credit of fund:

December 31, 1955—$890,857,489.63
December 31, 1956—$926,776,830.22
December 31, 1957—$877,470,144.39
December 31, 1958—$625,363,366.21

HOUSE OF COMMONS

Thursday, January 22, 1959

The house met at 11 a.m.

CANADIAN BROADCASTING CORPORATION

MONTREAL—REPORTED ULTIMATUM TO PRODUCERS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether in view of the fact that the ultimatum issued by the C.B.C. to its producers in Montreal expires today, and in view of the most undesirable consequences of the implementation of this ultimatum on French language broadcasting, he would not intervene even at this late date in an effort to avert these unhappy consequences.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the question will be answered by the minister who reports to parliament in respect of the C.B.C.

Hon. George C. Nowlan (Minister of National Revenue): I am not aware of any such ultimatum as the hon. gentleman mentioned. There were discussions going on until four o'clock yesterday morning and, I know, during the night, and I understand there were also discussions going on last night. I have not been advised this morning of the situation. This is a matter entirely in the hands of the management of the corporation. In view of certain reports I heard yesterday I should like to make it clear that any steps which might be taken to bring this matter to a head were decided upon last week in consultation with the officers there, and there is no intention of delivering any ultimatum whatsoever; but sooner or later this matter must be brought to a head. I am told by the corporation that this was the plan of Mr. Ouimet, and this was the matter he was working on at the time of his collapse on Sunday.

The house will be glad to know that he is resting reasonably comfortably considering the very severe attack he had, and there is every reason to hope that if his present condition continues for a few more days he will be restored to health.

Mr. Hazen Argue (Assiniboia): I wonder if I may ask a supplementary question. Since this unfortunate dispute has continued for some time, could the minister say on behalf of the government rather than in the capacity as reporting for the C.B.C. whether the government or any ministers have considered making their good offices available for bringing the parties together so this dispute might be settled? There are many precedents for this being done in other instances affecting government corporations.

Mr. Nowlan: The government has not given any consideration to this whatsoever. This is a matter for the management and staff of the corporation. The suggestion certainly has been made. There were 15 different proposals, I am told, 15 suggestions made by the management to the producers, every one of which was refused. The primary suggestion was to go to the Canada labour relations board and deal with that board and obtain recognition, and that also was refused. The management feel in the circumstances that there is no further suggestion they can make, but they are very happy to welcome any suggestion that might be advanced by the producers.

LABOUR CONDITIONS

STATEMENT ON NUMBER OF UNPLACED APPLICANTS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Minister of Labour a question. Can he give us the latest available figures for the month of January of the number of unplaced applicants for employment? This question is based on the fact that the report given out by the minister two days ago—

Mr. Fleming (Eglinton): Order.

Mr. Martin (Essex East): —gives the figures for December 11. Could the minister bring it up to date? On December 11 I think it was about 570,000.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, in answer to the question asked by the hon. member for Essex East I have the latest figure of registrations at our national employment service offices for the week ending January 8, which is 749,886 as compared with 796,371 a year ago, which is a decrease of 46,485, and which is also 250,000 less than the hon. member for Essex East predicted last July.

Inquiries of the Ministry

Mr. Martin (Essex East): Mr. Speaker, will the minister tell us whether or not with regard to the increase of some 170,000 within a month, the new figure as well as the old figure in December did not and does not include the category of fishermen representing in terms of unemployment some 50,000, which would bring the figure up higher than that mentioned by the minister?

Mr. Starr: Mr. Speaker, the two figures I gave for comparison purposes, the figure for this year and last year, do not include fishermen.

Mr. Martin (Essex East): They are not included.

Mr. Fleming (Eglinton): Wrong again, Paul.

(Translation):

QUEBEC—FEDERAL ASSISTANCE IN WINTER WORK PROGRAM

On the orders of the day:

Mr. Rodolphe Leduc (Gatineau): Mr. Speaker, I should like to direct a question to the hon. Minister of Northern Affairs and National Resources (Mr. Hamilton).

Would he mind telling me if the Quebec government has accepted the federal government's offer to share expenditures, under the special winter works program, for the construction of forest approach roads and the development of camping grounds?

(Text):

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I was handed notice of this question as I was coming into the house. I want to thank the hon. member for giving me notice of it. To my knowledge, up to yesterday the answer is, not yet.

UNEMPLOYMENT—PUBLICATION OF LOCAL FIGURES IN LOCAL NEWSPAPERS

On the orders of the day:

Mr. W. H. McMillan (Welland): I should like to address a question to the Minister of Labour. Has the Minister of Labour or anyone in his department any objection to the publication of local unemployment figures in the local newspapers?

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker.

Mr. McMillan: Would the Minister of Labour issue a directive to that effect?

Mr. Starr: A directive to that effect has already been issued and is in existence.

[Mr. Starr.]

(Translation):

MONTREAL—INQUIRY AS TO GOVERNMENT ACTION TO RELIEVE UNEMPLOYMENT

On the orders of the day:

Mr. Guy Rouleau (Dollard): I should like to ask the Minister of Labour (Mr. Starr) a question. Is he aware of the statement of His Eminence Cardinal Leger, as reported in Tuesday's press, to the effect that the present situation requires the government to take further special action to deal with the serious problem of unemployment in Canada, especially in the city of Montreal?

(Text):

Mr. Speaker: I seem to recall that this question was dealt with a couple of days ago, if I am not mistaken.

(Translation):

Mr. Rouleau: Might I ask the hon. Minister of Labour a further question?

Could he tell the house what further projects he has in mind to solve the problem of unemployment in the city of Montreal, where conditions have never been as serious there being 88,000 people out of work?

(Text):

Hon. Michael Starr (Minister of Labour): In answer to the first part of the hon. member's question, I wish to say that I admit immediately that I have not had an opportunity to discuss this matter with Cardinal Leger. I also wish to add that I can only commend him in the highest terms possible for the true Christian spirit behind the program he has launched. Like measures undertaken by the government and motivated by the same spirit, the cardinal's program is aimed at coming to grips even in a limited way with the economic situation which has developed. He has taken action that I commend to all leaders of this country to try to help in the alleviation of the problem, and in the same positive way that the government is taking action.

As to the second part of the question, I am happy to report that the province of Quebec is now participating in the winter work program, and close to 100 projects will be submitted and some are being processed by our department at the present time.

(Translation):

Mr. Rouleau: A supplementary question, Mr. Speaker.

Could the minister tell us whether the government has been asked by the city of Montreal to share the costs of specific unemployment relief projects?

(Text):

Mr. Starr: Mr. Speaker, the city of Montreal is taking the lead in the 100 projects I mentioned as coming from the province of Quebec,

and I am sure these projects will help a great deal in alleviating unemployment in the city of Montreal.

FINANCE

CONVERSION LOAN—REPORTED INCREASE IN INTEREST CHARGES

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to ask the Minister of Finance if the figure he is reported to have given in an address to the Canadian club in Toronto on January 5, 1959 is correct, namely that there would be increased annual interest charges of $48,225,000 as a result of the conversion loan.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, if that is a question for the orders of the day—as to which I am in some doubt—I can say to my hon. friend that all the figures which I gave in that address are correct.

INQUIRY AS TO INCORPORATION OF CO-OPERATIVE BANKS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to address a question to the Minister of Justice arising out of a dispute between the caisse populaire and the credit unions and the chartered banks as to charges to the credit unions for clearance purposes. In light of the growing suggestion among credit union leaders that a co-operative bank should be incorporated in this country, has the government or any department given consideration to the possibility of legislation to incorporate co-operative banks in this country?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, any such question must be hypothetical until somebody makes an application.

Mr. Argue: In view of the statement made by the president of the co-operative union of Canada, has any such application been made?

Mr. Fleming (Eglinton): I am not aware of any application for incorporation of a bank of that nature.

TRADE

REPORTED REFUSAL TO SELL ALUMINUM TO COMMUNIST CHINA

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Yesterday, in reply to a question from the Leader of the Opposition with respect to the Aluminum Company of Canada's reported refusal to sell a certain amount of aluminum, the minister indicated he would have to investigate the report. I wonder if he has had an opportunity to do that.

Hon. Gordon Churchill (Minister of Trade and Commerce): Yesterday, Mr. Speaker, the Leader of the Opposition asked me if I could give the house an assurance that no pressures from outside Canada were brought to bear on the Aluminum Company of Canada or on Aluminium Limited in the refusal of a $1 million aluminum order from communist China. In so far as I can find out, no pressure was exerted from outside Canada.

Mr. Howard: A supplementary question, Mr. Speaker. I wonder if I might ask the Minister of Trade and Commerce whether or not he would recommend to his colleagues in the cabinet that appropriate legislation be enacted to ensure that such problems may be overcome in the future, and that companies such as the Aluminum Company of Canada will be obliged to act in a more responsible manner toward Canada, or failing that, that there be established an export board part of the function of which would be to arrange for exports of commodities which private corporations are afraid to export.

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member is raising a pretty broad field of policy and legislation. I do not say the minister may not answer if he wants to, but it seems to me this question goes beyond what can be dealt with in a summary way at this time.

ROYAL VISIT

REPORTED MEETING OF QUEEN ELIZABETH AND PRESIDENT EISENHOWER

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister. I would like to know whether his attention has been drawn to a press release emanating from Washington, by the press secretary to the President, which states that President Eisenhower plans to meet Queen Elizabeth in June, probably on the United States-Canadian border, when she inspects the St. Lawrence seaway; and has the Prime Minister any comment to make on this statement?

Right Hon. J. G. Diefenbaker (Prime Minister): So far as the first question is concerned, the particular press dispatch has not been brought to my attention. As to the second question, whenever the committee under General Graham is in a position to give a report it will be brought to the attention of parliament.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

STATEMENT ON PENSION NEGOTIATIONS AND REPORTED WITHDRAWAL OF PASS PRIVILEGES

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for Kenora-Rainy River (Mr. Benidickson) inquired regarding revision of the C.N.R. pension plan, and in that connection made reference to the passes of labour representatives. The management of Canadian National Railways advise that following discussions by the Canadian National Railways pension board, which comprises both management and employee representatives, a revision of the pension rules was approved by the directors of the company and came into effect on January 1.

The matter of passes is not related in any way to the question of pension regulations. In any event, employee representatives have received, or will receive, the same kind of Canadian National Railways pass for 1959-60 as they held in 1958.

Mr. W. M. Benidickson (Kenora-Rainy River): Would the minister indicate whether they had been notified that they were withdrawn and have actually been restored.

Mr. Hees: I cannot say anything regarding that; all I can say is that they will receive the same passes in the coming year, and I am sure that if they do not know about it now they will know about it very shortly.

Mr. Benidickson: They had been withdrawn.

ADMINISTRATION OF JUSTICE

ARTHUR CHAPMAN—INQUIRY AS TO POSSIBLE ACTION TO PREVENT HANGING

On the orders of the day:

Mr. Harold Hicks (Fraser Valley): Mr. Speaker, I should like to direct a question to the Minister of Justice. Reports in the press at the coast show that the trial of 20-year old Arthur Chapman of Chilliwack for killing his brother was recently concluded. He was found guilty and sentenced to hang on March 31 next. The jury deliberated for four hours and made a strong recommendation for mercy.

Some hon. Members: Order.

Mr. Hicks: I believe the defence counsel is appealing the decision.

Mr. Speaker: Order. If the hon. member has a question he should present it.

[Mr. Diefenbaker.]

Mr. Hicks: The question is, what steps can the people take to save this boy from the gallows?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, in reply I thank the hon. member for giving me notice of his intention to ask about this matter. I should advise him that all capital sentences are automatically reviewed by the governor in council. Any person has an opportunity to make representations to the governor in council. Of course the review by the governor in council will not take place until all rights of appeal have been exhausted and only if the appeal or appeals, if there be any, result in the appellate court confirming the finding. Perhaps I should say that such representations, if they are to be made, should be addressed in the first instance to the Solicitor General.

OIL

ALBERTA TAR SANDS—INQUIRY AS TO USE OF ATOMIC BLASTS

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I should like to direct a question to the Minister of Mines and Technical Surveys. Has the minister or the government received a request from Richfield Oil for permission to use atomic blasts on its lands in the Alberta tar sands area?

(Translation):

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, the Richfield Company has informed us of its intention to proceed with nuclear experiments on Alberta sands. Our mines division officials are now considering the matter and the committee set up for this purpose has not yet submitted its report.

(Text):

BRIDGES

REQUEST FOR TABLING OF AGREEMENT RESPECTING WORK ON VICTORIA BRIDGE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Transport. Will the minister table the agreement to which he referred yesterday in reply to a question of mine, which agreement is dated January 12, 1956 and has to do with the St. Lawrence seaway, Canadian National Railways and the co-ordination of work on Victoria bridge, the agreement also being one that does not concern the internal management of Canadian National Railways?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker, I will be very glad to do so.

BURLINGTON, ONT.—LOW LEVEL BRIDGE ACROSS HAMILTON HARBOUR ENTRANCE

On the orders of the day:

Mr. R. M. T. McDonald (Hamilton South): On January 20 I asked a question of the Minister of Transport with regard to the construction of a low level bridge across the entrance to Hamilton harbour, but I should like now to direct the question to the Minister of Public Works, as it is under his jurisdiction. What is the expected completion date of the low level lift bridge across the entrance to Hamilton harbour, something which was requested by the former member and which was refused by the Liberal government.

Hon. Howard C. Green (Minister of Public Works): In reply to this question, Mr. Speaker, may I say that work is under way on the substructure of the Burlington low level bridge across the entrance to Hamilton harbour, and tenders for the superstructure have been called for February 3, 1959. Present estimates are that this bridge will be open to rail traffic by March 15, 1961, with final completion by June 30, 1961.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the minister a supplementary question. Did I understand him to say that two separate contracts were being called for this single project?

Mr. Green: I have here only the report from the department dealing with this particular question. I would take it from the reply that there was a contract for the substructure, and that tenders have been called for the superstructure.

EXTERNAL AFFAIRS

UNITED STATES—REVIVAL OF HYDE PARK AGREEMENT AND COMBINED PRODUCTION BOARD

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Secretary of State for External Affairs whether any representations have been made to the United States government concerning the revival of the Hyde Park agreement, and particularly the combined defence production board which operated so successfully under that agreement during the war?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Not having received notice of this question, I shall take this as notice.

Inquiries of the Ministry

DOMINION-PROVINCIAL RELATIONS

SASKATCHEWAN—REQUEST FOR TABLING OF LETTER TO PROVINCIAL TREASURER CONCERNING TAX AGREEMENTS

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I wonder if, in accordance with many precedents established last session in connection with dominion-provincial tax agreements, the Minister of Finance would table his recent letter to the treasurer of Saskatchewan in which the press indicates the minister alleges that the Saskatchewan treasurer has, in his public statements, made many misstatements indicating misconceptions of the recent agreements.

Hon. Donald M. Fleming (Minister of Finance): If my hon. friend wishes I shall be glad to table that letter, which was dispatched within the last 48 hours to the provincial treasurer of Saskatchewan, and was in reply to statements which were attributed to him in the press within recent weeks, which statements on his part contain certain errors which I felt it desirable to correct.

SHIPPING

COASTAL TRADE—INQUIRY AS TO ACTION ON REPORT OF ROYAL COMMISSION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Transport. Can he say whether or not the government intends to take any action in connection with the report of the royal commission on coastal trading?

Hon. George H. Hees (Minister of Transport): I have received that report and given it a great deal of study. I shall be discussing it with my colleagues in the near future, and will be making a statement in the house.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, January 21, consideration of the motion of Mr. W. H. Jorgenson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Pearson, and the amendment to the amendment of Mr. Argue.

Miss Margaret Aitken (York-Humber): When the six o'clock adjournment interrupted proceedings last night, Mr. Speaker, I was expressing surprise at the gloom we have heard from the opposition in the last few days. It seemed to me that they are viewing with alarm on all sides, and I do not believe

they are speaking for the people of Canada when they express this gloom. Certainly pessimism is not a characteristic of Canadians and, as the Minister of Trade and Commerce (Mr. Churchill) said yesterday, Canadians are today greatly inspired by the prospects of a glorious future and are certainly ready to follow the inspired leadership of the Prime Minister (Mr. Diefenbaker) and his cabinet.

There are three or four items in the speech from the throne on which I want to touch briefly. We are informed that we are to be asked to pass a bill of rights. Ever since the Prime Minister announced last year that he was going to introduce a bill of rights, lawyers have been having a heyday with it, arguing over all kinds of legal and jurisdictional difficulties between the federal and provincial governments. Like all other hon. members of this house I have been inundated with briefs, submissions and letters pro and con a bill of rights. I remember that last year the Prime Minister asked the people of Canada to give some thought to this proposal, and they certainly have done so.

I welcome the introduction of a bill of rights for two basic reasons. First of all, as I have said in this house before, it seems to me it is a good thing for all of us to take time occasionally to assess and evaluate the freedoms that we cherish. It is a good thing to stop and spell out democracy as we see it. The second reason that I welcome a bill of rights is that we of the western world can certainly do a much better job than we are doing of selling democracy. We take too much for granted in the rights and freedoms that we enjoy, and we expect other people in other parts of the world to take them for granted also.

The Prime Minister made a speech in Toronto recently when the University of Toronto bestowed an honorary degree upon him. He warned us all that democracy is losing the struggle for the minds of men in Asia and in other undeveloped areas. I think democracy is losing the struggle because we are not highlighting those things of the mind, heart and spirit that mean so much to us in democracy. Hence for those two reasons I welcome a bill of rights so that we may tell the world about the freedoms we enjoy.

Mr. Speaker, I address my next point to the Minister of Finance (Mr. Fleming) and the Minister of National Revenue (Mr. Nowlan). In raising this matter I am probably speaking with a minority voice in this house. However, I believe there is existing an incongruous and discriminatory tax situation and that it should be corrected. I refer to what is informally called the cosmetic tax, which is a 10 per cent excise tax. It is incongruous because presumably cosmetics are considered to be luxuries. They may have been luxuries at one time, but they are certainly not luxuries any more. Who would call toothpaste a luxury, or baby oils and powder, or shaving cream or shampoo and hand lotions?

An hon. Member: And lipstick.

Miss Aitken: Yes, I include lipstick in this list. I do not expect hon. members in this house to agree with me that lipstick is a necessity, not a luxury, but I believe that half the electors in this country would agree wholeheartedly.

Curiously enough the previous government removed this 10 per cent excise tax from several items but left it on cosmetics. The items that were removed from the incidence of the tax are ones which I consider to be luxuries such as fishing rods, cameras, golf clubs and soft drinks. However, the tax was retained on toothpastes, mouthwashes, medicated creams and many other items essential to good health and good grooming. I draw this matter to the attention of the Minister of Finance and the Minister of National Revenue in the hope that they will review this incongruous situation and remedy it.

In the speech from the throne there is promise of certain amendments to the Unemployment Insurance Act. I do not know what those amendments are going to be, but I am sure they will be good and beneficial ones. There is one matter, however, that bothers me about the unemployment insurance benefits, and I am going to present this problem to the Minister of Labour (Mr. Starr). In the past, many times and oft, we in the Conservative party raised our voices against extravagances of the previous government. One glaring extravagance was the continual flow of publicity releases and pamphlets that poured from the various government departments. I am happy to note that this government has cut down a great deal on that flow. As a journalist I know what a waste it was, because these things would come into newspaper offices and simply be thrown into wastepaper baskets unread. However, at the risk of being paradoxical I am now asking the Minister of Labour to start a publicity project of his own or, as it may be more properly described, an educational program on the real purposes of unemployment insurance.

As I see it, unemployment insurance is insurance against the misfortune of being unemployed. But to be unemployed is not the real misfortune. To be unemployed and

unable to find work is the real misfortune. I feel that there is a wrong concept about this matter of unemployment insurance. People who take out automobile insurance are only too happy to assert that throughout their life they have never had to make a claim, and they certainly do not expect to get anything back from it. People who take out health insurance are only too happy that they are not obliged to make a claim for hospital care, and they do not expect to get anything back. But there seems to be a different concept about unemployment insurance. Far too many people appear to feel that since they have paid into this unemployment insurance fund, it is a sort of pension which must come to them sooner or later.

I should like to give three examples of what can and does happen with respect to unemployment insurance. Case No. 1 is that of an older woman who retired with a fairly substantial pension. She had paid into the unemployment insurance fund all her life and felt that it owed her something. When she retired she regarded herself as unemployed, applied for unemployment insurance benefits and obtained them. I do not believe that the unemployment insurance benefits were ever meant to be a sort of supplement to a retirement pension.

Case No. 2 is that of a young woman who had a highly specialized job but lost it. She applied for the same kind of job knowing full well, I am sure, that those jobs were not available. She was not able to get such a job, and she was quite happy to stay home and collect unemployment benefits.

Case No. 3 is that of a woman office worker who decided to stop working. Her husband was quite able to support her. Someone told her to be sure to get from her employer a letter to the effect that her services were no longer needed. He, I suppose trying to be a good fellow, gave her that letter and she collected her unemployment benefits.

I have given these three examples of the way in which I think this really great social security measure is being abused. I am sorry that all my examples happen to be women. I am quite sure there are an equal number of men. There may be hundreds or there may be thousands of such cases. They are all on the unemployment list and are included in the figures that we hear so much about these days. I believe there is really a great need for an educational program so we can appreciate that this is not a pension; that it is not a fund for people who do not want to work for a while but who want to take a short holiday; that it is not a little investment nest egg for those who do not want to work any more. It is for those who have suffered the misfortune of becoming unemployed and who cannot find jobs.

Finally, in his speech the Leader of the Opposition, who was a great athlete in his day, did some extraordinary mathematical gymnastics which I had great difficulty in following. He said that between 1957 and 1958 the consumer price index rose by 3.5 per cent, and then he informed us that the old age pensioners had lost $2 of the $9 increase granted by this government. Mr. Speaker, 3.5 per cent of $9 does not come to $2 according to my calculations. I realized later, after figuring it out, that the hon. gentleman was taking 3.5 per cent of the entire $55. However, he certainly gave the inference that it was calculated on the $9.

I ask you, Mr. Speaker, and I ask this house what would have become of the old age pensioners if it had not been for the change of government? The increase given by the previous government was $6 a month, or 20 cents a day. If we had not increased the pension to $55 I suggest that the old age pensioners would practically be giving the government money today.

There are a good many champions of the old age pensioners in this party. I have certainly been one of them ever since I entered the House of Commons. So has the Prime Minister, the Minister of Finance and all the cabinet ministers. We have proved that our concern was not merely talk. We have fulfilled our promises and proved that their faith in us was justified. We shall continue to prove that their faith in us is justified, because the record speaks for itself.

Hon. Paul Martin (Essex East): Mr. Speaker, may I say to you first of all, as have some other hon. members, how pleased I am to see you presiding once again over our deliberations in spite of rumours some weeks ago which might have altered that situation. I should like to congratulate the hon. member for Provencher (Mr. Jorgenson) and the hon. member for Montmagny-L'Islet (Mr. Fortin) on their speeches in moving and seconding the address.

(Translation):

May I be allowed also to offer warm congratulations to the seconder of the address in reply to the speech from the throne, the hon. member for Montmagny-L'Islet (Mr. Fortin), for taking in his stride a task which is difficult to a new representative. I listened with watchful attention to the hon. member's very sensible remarks on national unity and was very pleasantly surprised by his somewhat novel attitude in the matter, as compared with the views of his fellow members from the province of Quebec. I therefore do want

to congratulate him once again, in the hope that he may win over to this cause several of his colleagues.

(Text):

Mr. Speaker, the Prime Minister in replying to the comprehensive and responsible statement of the Leader of the Opposition on Monday last gave one the impression that he deplored any criticism of a character which suggested that all was not well in the country. I should have thought that a man who had proposed a bill of rights, inadequate though it may be, a man who had championed for such a long time the rights of parliament would have been the last person to complain about a speech which involved criticism of the administration of a free and democratic society.

The Prime Minister is familiar, of course, with Mr. Dicey, the author of the Law of the Constitution. He will recall as elementary the postulate of Mr. Dicey that the essential condition of parliamentary government is that the government should govern by agreement with the opposition, and that it is equally vital that the opposition should be at liberty to criticize the government. That is an essential basis in our parliamentary system. I say to the Prime Minister that he did not strengthen his position or defence by deploring the kind of criticism which was made from these benches, criticism which we have the right and indeed the duty at this time to put forward. The Prime Minister, good lawyer that he is, will recall the words of the late Chief Justice Duff who in the padlock case defined free discussion as meaning criticism, answer and countercriticism; attack, defence and counterattack.

Mr. Diefenbaker: What case was that?

Mr. Martin (Essex East): The padlock case.

Mr. Diefenbaker: In what year was that judgment given?

Mr. Martin (Essex East): I forget the exact year. It was about five years ago, I think. By this the chief justice meant the freest and fullest analysis and examination. These are important words by the chief justice, and they signally apply to all ministers of the crown and members of parliament. The real reason why the Prime Minister did not like the speech of the Leader of the Opposition was that it hurt; that it was an indictment of an administration which gave certain assurances and pledges to the people of Canada which this government in large measure is not fulfilling.

Mr. Diefenbaker: I should like to ask a simple question. I am interested in this padlock case of Mr. Justice Duff five years ago. What is the case to which the hon. gentleman is referring?

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): Mr. Speaker, I hope you will note the time taken by this intervention; I do not propose that the Prime Minister shall divert me from the main thesis I am advancing. Whether or not I was correct in my citation, the fact is that the chief justice defined freedom of discussion in a manner which was not recognized on Monday last by the Prime Minister of Canada.

I should have thought the Prime Minister would have taken advantage of this debate, in the light of the criticism which exists throughout the country, to make an objective statement as head of the government about the current economic situation, explaining what the difficulties are and being prepared to accept the kind of criticism which must come from an opposition, and yet at the same time urging the house and the country to appreciate the difficulties involved. Instead, what did he do? He did not address himself except for a few moments to the economic situation which confronts the country. He gave us no lead, certainly not the kind of lead which under our parliamentary system we have the right to expect from the man to whom has been entrusted the responsibility of directing the affairs of this nation.

However, the Prime Minister did at one point in his speech seek to do the very thing I am now complaining he did not do. He made a statement during the course of his observations as reported in *Hansard* at page 58, which I quote:

> In the year just ended, Canadians worked more, earned more, spent more and saved more than in any comparable year in the history of this country.

Of course his followers applauded that statement with wild enthusiasm. Now, if that was a correct statement it would be a perfect defence against the charges which have been levelled at the government by members of the opposition. But let us see whether or not this statement by the Prime Minister represents the situation in accordance with the statistics provided by that organ of the government which is responsible for such computations, the dominion bureau of statistics, which is at the disposal of the Prime Minister more than it is at the disposal of hon. members sitting to the left of Mr. Speaker.

Let us examine the statement that Canadians worked more. The dominion bureau of statistics figures show that total employment in 1958 was on the average 23,000 below what it was in 1957, so that in fact a smaller number of Canadians worked in 1958 than in 1957.

Now let us examine the next statement, that Canadians earned more. The dominion bureau of statistics points out:

> Real wages and salaries in 1958 have declined by 1.6 per cent. Moreover, national income at factor

cost (that is the sum total of wages, salaries, farm income, corporation profits as well as other incomes) rose by 2 per cent in 1958 from $23.8 billion in 1957 to $24.3 billion in 1958.

However, as reported by the dominion bureau of statistics, final product prices also rose by about 2 per cent, so that the net national income in real terms did not, as the Prime Minister suggested, increase in 1958. In 1958, the bureau points out, population increased by 2.3 per cent, with the result that in real terms and on a per capita basis Canadians earned less than in 1957. And so the Prime Minister was wrong again.

Then the hon. gentleman made the statement that Canadians spent more. Let us see what the dominion bureau of statistics itself has to say about this:

It may be noted that on a per capita basis consumer purchases in real terms showed a year to year decline in all categories of expenditure in the first nine months of 1958.

This was the period taken by the Prime Minister himself. The result is that Canadians in fact spent less in 1958 and the Prime Minister, with these figures of the dominion bureau as my authority, is consequently proven wrong again.

And then, as reported on page 59 of *Hansard* of January 19, the Prime Minister stated that according to the 1958 economic report it was felt that the gross national product would remain almost unchanged, with a possible increase of .7 per cent. In point of fact, said the Prime Minister, it increased by 2 per cent. Let us see what the bureau of statistics says on this point at page 5 of its report. Here are the actual words of the dominion bureau of statistics on this question:

Taking the change in the price of all components together, it is estimated that the implicit price deflator of total gross national expenditure was higher by about 2 per cent in the first 9 months of 1958. As has been noted, this price advance accounted for virtually all the increases in the value of production from one year ago, so that in volume terms the gross national product remained substantially unchanged.

So once more, according to the bureau of statistics, the Prime Minister was proven wrong. Then at page 59 of *Hansard* the Prime Minister said:

The 1958 economic report predicted that total wages and salaries of Canadians would decline as compared with 1957 by 1.1 per cent. Instead of that wages and salaries increased by 1.6 per cent or some $300 million.

The dominion bureau of statistics provides this conclusion:

On the average the consumer price index stood at 121.9 in 1957 and at 125.9 in 1958 which represents an increase of 3.2 per cent. This means that real wages and salaries—or the purchasing power of total wages and salaries—have declined by 1.6 per cent in 1958.

The Prime Minister is proven wrong again. Then, at page 59 of *Hansard* the Prime Minister said that consumer spending did increase by about 4 per cent in 1958, and I remember the way he said that with all the authority of his office and with his sweeping gestures and debating skill. Consumer spending did increase by about 4 per cent in 1958, he affirmed. Here is what the dominion bureau of statistics says about that, at page 7 of the report:

In the first 9 months of 1958, total consumer expenditure on goods and services was higher than the same period of 1957 by nearly 4 per cent. About two-thirds of this increase represents higher prices prevailing in the consumer sector. Expenditures on non-durable goods were up 4 per cent in value terms, but only 2 per cent by volume. Expenditures on durable goods increased by 1 per cent, but showed little change in volume terms. The gain of 5 per cent in outlays for services was largely offset by price increases, so that the increase in volume terms in this component amounted to only 1 per cent.

And then it goes on to state:

It may be noted that on a per capita basis consumer purchases in real terms showed a year to year decline in all three categories of expenditure in the first 9 months of 1958.

And so the Prime Minister was proven wrong again. Then, as reported at page 59 of *Hansard* the Prime Minister said:

I have before me the record from my own province of Saskatchewan which I wish to read in answer to the professional gloomsters. I shall read from the sales record of the Saskatchewan retailers for the year 1958.

What the Prime Minister did not do was refer to the retail sales for the whole of Canada. Those sales, according to the dominion bureau of statistics daily bulletin of January 21, increased in value by 2.3 per cent during the first 11 months of 1958. However, over the same period the retail price index increased by 3.2 per cent, which means that in volume, retail sales declined by 0.9 per cent in 1958. Moreover, since population increased by 2.3 per cent, retail sales in volume terms and on a per capita basis declined by 3.2 per cent in comparison with 1957. And so the Prime Minister was proven wrong again.

Mr. Fulton: Would the hon. member identify the source of his last statement?

Mr. Martin (Essex East): These are figures put out by the bureau of statistics under the control of the distinguished Minister of Trade and Commerce.

Mr. Fulton: Would the hon. gentleman kindly remember to give us the references as he proceeds?

Mr. Martin (Essex East): Let us examine what the Prime Minister said about the gross national product, as reported at page 60 of *Hansard*:

As far as the gross national product is concerned, it now amounts to more than $32 billion; in volume terms it is about the same as in 1957, but it is still some 7 per cent above the 1956 level.

The real fact is to be found on page 1 of the bureau of statistics report. It should not have been difficult for the Prime Minister to find it, because it appears on page 1. The report states:

On the basis of present evidence, it seems likely that the gross national product in 1958 will be about 2 per cent above last year's figure of $31.4 billion. With final product prices also higher by about 2 per cent in the first nine months of this year compared with a year ago, the physical volume of output in 1958 will likely show little change from that of the year 1957. This would represent the second year in succession—

And my hon. friend has been in office for 17 months—

—in which the Canadian economy has shown no change in the physical volume of production.

Then the dominion bureau of statistics goes on to point out that this would compare with a gain in the physical volume of output of 7 per cent between 1955 and 1956, 9 per cent between 1954 and 1955, and a post-war average for the years 1947 to 1957 of 4 per cent per year. And so the Prime Minister was proven wrong again.

Then on page 61 the Prime Minister said:

There has been a very striking decline in the Canadian trade deficit. The decline was largely the consequence of the change in our trade position with the United States. It goes on to point out in that report that the situation is improving in so far as our trade deficit with the United States is concerned.

So concludes the Prime Minister. Well, what does the bureau of statistics say on page 9?

A major factor contributing to the reduction in imports has been the lower levels of business investment in Canada in 1958 in machinery and equipment items, construction materials and inventories.

It is generally known that Canada depends mainly on imports from the United States for such products, so the change in our trade position with the United States is the result of the recession in our country, not to government policy, as the Prime Minister led us to believe; and so the Prime Minister was proven wrong again.

Then on page 62 the Prime Minister said:

Over the last year it has risen only 2.5 per cent.

He was referring to the consumer price index. He continued:

How modest this rise is may be seen when it is compared with the rise of 6.3 per cent in 1945-46.

[Mr. Fulton.]

Of course the Prime Minister arrived at his figure of 2.5 per cent by comparing December, 1958 with December, 1957. If he had compared the two full years instead of only two months the figure would have been 3.2 per cent. Moreover, was it fair for the Prime Minister to compare in this respect the recession period of 1958 with the period of 1945-46, when wartime price controls were abolished?

Then the Prime Minister concluded his economic analysis saying:

From 1935 when the Liberal party came into power to 1957 there were 14 deficits, part of them in wartime from 1940 to 1945.

Why did not the Prime Minister conclude this economic dissertation by saying that since world war I the Conservatives, when they were in office, had always shown deficits, and the other fact that since world war II the Liberals were able to reduce the public debt by almost $2,500 million? That was the economic statement given to this country on Monday last by the Prime Minister in respect of a situation which has provoked condemnation by presidents of banks, by labour leaders, by those who are on retirement and pension plans, by all classes in the nation including agriculture; yet all we have had from the Prime Minister, for whom personally I have the highest regard, as he knows, was a wholly inaccurate statement of the economic conditions that now face this country.

Mr. Fulton: May I ask the hon. gentleman a question? Will the hon. gentleman be good enough to give us the D.B.S. publication or publications from which he says he got his figures, with the page reference in each case? Perhaps he can give them now.

Mr. Martin (Essex East): If my hon. friend will read the text he will see that I have given them.

Mr. Fulton: No, Mr. Speaker.

Mr. Martin (Essex East): I have answered my hon. friend's question in so far as I propose to answer it.

Mr. Fulton: On a question of privilege, Mr. Speaker—

Mr. Chevrier: Sit down. The Speaker is on his feet.

Mr. Fulton: —the hon. gentleman well knows that it is a rule of this house that if he is quoting what he says are official figures he has to identify the source. If the hon. gentleman tells me that in each case he has enabled the house to identify the source of the figures he quoted as official figures I will be satisfied, but I do want to know. If the hon. gentleman assures me that the

identification is there I will take his word for it, but I did not get the identification as he went along.

Mr. Martin (Essex East): Mr. Speaker, I hope the time taken up by the Minister of Justice has been noted so that I may be allowed to develop my argument.

Mr. Fulton: My hon. friend's figures need careful checking.

Mr. Martin (Essex East): In his speech the Prime Minister did not address himself to the problem of unemployment in the way which I believe that problem deserves, particularly in the light of the assurances he gave to the people of Canada in so many places in the election campaigns of 1957 and 1958.

We were told two days ago that there are 440,000 individuals without jobs, 79,000 more than in the previous month of November and 48,000 more than in the comparable month of a year ago. That situation in itself is serious. Those are the D.B.S. figures; but I invite the attention of the Prime Minister, of the Minister of Labour and of hon. members to table 2 of that same report, which was made available to the public on Tuesday last, which shows that on December 11 there were 574,237 unplaced applicants for jobs with the unemployment insurance commission offices. I also call the Prime Minister's attention to the fact that in table 2 the second sentence reads:

> The count excludes registrations from persons known to have a job and applying for another one.

I call the Prime Minister's attention to the answer to my question this morning by the Minister of Labour that as of January 8, instead of there being 574,000 persons in the unplaced applicants' list there are now 750,000 persons, a rise of almost 200,000 in one month.

That statistic in itself should arouse the Prime Minister and cause him to give some attention to the promises he made in this country, namely that no one will suffer because of unemployment as long as this government is in office. He should realize why we on this side of the house and why the country bear at this time in many places deep resentment against this administration.

To the number of 750,000 must be added the number who do not register because they have now lost any entitlement to benefit. I suggest to the Minister of Labour that I would not be inaccurate in suggesting that this number might be as high as 13 per cent, bringing the number up possibly by another 50,000. Then when you take into account the fact that fishermen are not included in this list, and they are estimated by some employment officers to number 50,000, you have a possible unplaced applicants' list not of 750,000 but conceivably of 100,000 in addition. Then when you bear in mind that the dominion bureau of statistics does not include people who are working fewer than 35 hours a week it will be seen that the nation is confronted with the most serious problem of unemployment that we have had since the dark days of 1930.

Another reflection of this situation is to be found in the status of the unemployment insurance fund itself. We are running dangerously close to the point where, if this kind of situation continues to develop, next year there may not be sufficient money to pay benefits. When one thinks that the fund was as high as $925 million, that as of November it was down to $641 million and at the end of 1958 had been reduced by another $252 million, one can see why the government is anxious to do something about increasing contributions so that the fund will not be completely or dangerously empty.

I suggest that by the end of March 31 this year, on the basis of present figures, some $400 million or so will be paid out in benefits. If that is the case, then the government and the country will be confronted with a situation which justifies my noting at this time that in 1959-60 there will not, in the light of the existing law, be enough money to provide benefits for the unemployed of our country if the situation at that time is at all comparable to the present period. This is a serious situation. One is not supposed to talk about these things according to the Prime Minister, but this fund was built up by the contributions of management and labour, not only by lesser contributions by the general taxpayers or by the state. We owe to those who from 1941 on have made these contributions some assurance that in the face of unemployment they are not going to find that the unemployment insurance fund, which is theirs, has been violated as a result of lack of foresight on the part of the government in dealing with the very serious unemployment situation, now confronting us.

Just think; in 1957-58 some $385 million was paid out of the unemployment insurance fund, more than was paid out from 1941 to 1951. Yet the government says, as the Minister of Trade and Commerce said yesterday, "There is no serious problem of unemployment; I look forward to a buoyant year in 1959."

Mr. Churchill: On a point of order, I did not use that word. I said it was a serious problem and that the government is facing it courageously.

Mr. Martin (Essex East): My friend may say that, but the fact is that he did give the impression that there was no serious problem. As a matter of fact the whole government, in the relaxed way in which it confronts this problem, is so out of step with the views of the majority of the people of Canada in this regard that the situation is alarming. I say to the Prime Minister that the situation with regard to the fund is serious, and I hope he is not going to seek to replenish the fund at the expense of employers and employees who are not responsible for the failure of the government to discharge its promises and take the necessary preparatory steps to meet the situation.

Those steps were pointed out in the months of May and June. The Prime Minister will remember my saying to him, "These are my projections for the future. They may be wrong, but will the Prime Minister not take steps now, in the likely event of unemployment, to provide programs in the month of June in accordance with the capacity of municipalities to participate in those programs?"

Mr. Diefenbaker: Your misinterpretation is just as bad today as it was then.

Mr. Martin (Essex East): What did the Prime Minister do? The Prime Minister was going away on his world tour. I do not criticize him for that; but just a week before he went, knowing that the people were being confronted with unemployment, he said that the government was prepared to provide financial assistance on a 50-50 basis with the provinces to help put men back to work.

The Minister of Labour points out with pride that out of an unemployed population of almost 500,000 according to D.B.S. figures, with 750,000 unplaced applicants, 15,000 men have been put to work under this scheme. Should the Minister of Labour be proud of being able to produce as the only bit of evidence of the government's work program the alleged fact that the government has been able to provide financial assistance to the municipalities which, with the co-operation of the provinces, has resulted in placing 15,000 men?

Mr. Starr: Would you want them to remain out of work?

Mr. Martin (Essex East): There are almost half a million men out of work. Why was this program not started earlier? Why did the government wait until the month of October? Speaking in the house on March 15, 1955 the Prime Minister said, as found at page 2037 of *Hansard*:

> You say to me: What suggestions have the opposition to offer?
>
> [Mr. Churchill.]

These are the words of the Prime Minister.

> I repeat that we do not believe that inaction should be allowed to continue.

These are words that are applicable today.

Mr. Pickersgill: Far more applicable.

Mr. Martin (Essex East): The Prime Minister said:

> I repeat that we do not believe that inaction should be allowed to continue.

Then the Prime Minister went on to say:

> As to our suggestions, the Leader of the Opposition suggested that there should be a dominion-provincial conference on unemployment . . . Why could not this conference in April be held with reference to this matter and plans made respecting other fiscal matters? That is the first question I ask.

I ask the Prime Minister today, having in mind that he said in the election of 1957—

Mr. Diefenbaker: What date was that?

Mr. Martin (Essex East): That is page 2037 of *Hansard,* volume II, 1955.

Mr. Pearson: When unemployment was half what it is now.

Mr. Martin (Essex East): Having in mind that my hon. friend said in the election of 1957 that if elected he would resolve the fiscal difficulties between the provinces and the federal government—

Mr. Pickersgill: And the municipalities.

Mr. Martin (Essex East): —having in mind that there was a conference held in this chamber in December of 1957, having in mind that the Prime Minister said that the conference would reconvene in January, bearing in mind that the premier of Manitoba, Mr. Roblin, would like to have a dominion-provincial conference, bearing in mind the carefully selected words of Conservative premiers who have reacted to the latest statement of the Prime Minister on this subject, I say to him: In the light of his own recommendation in 1955, in the light of the serious unemployment problem confronting the country, why in the name of heaven does the Prime Minister not reconvene this conference? If the only way to cure the problem, as the Prime Minister said in 1955, is with the co-operation of the provinces through a dominion-provincial conference, why does the Prime Minister renege on his promise and fail to act in the light of this serious emergency situation?

The Prime Minister did, of course, meet the municipalities in September. He would not meet the provinces, in spite of his assurance, but he did meet the representatives of the municipalities in Ottawa in the month of September. When one looks at what the Prime Minister said on that occasion one

wonders what the mayors of our municipalities thought of the Prime Minister's assurances, just as we in this house could not help but regard with some amazement the conduct of the Prime Minister at that conference because of the assurances he gave to the people of Canada and to the municipalities in two recent federal elections.

Were any assurances given to the municipalities that anything would be done about the matter of unemployment? No. Under our constitution, said the Prime Minister, well informed and documented lawyer that he can be, this matter is not within our power. The municipalities are creatures of the provinces. There is nothing I can do to help you. We are overburdened with defence obligations. The expenditures of the federal government are frightening. I cannot do anything for you, but it was very pleasant to have you come this long way.

So I say to the Prime Minister, having regard to that abortive conference, having regard to this anaemic works program which is costing the federal government only $6 million, when one considers the millions that were spent at other times to meet unemployment does the Prime Minister not really agree in his heart or in his mind, I think I should say, that if there is any indictment that is justified against the government it is that it is not living up to its promises, that it is not giving any evidence of an ability or capacity really to do something about this very serious problem with regard to which the Prime Minister of Canada told the people of Canada on television and on platforms from one end of Canada to the other, "Elect me and I will see that no man suffers from unemployment as long as I am at the head of the government of Canada".

He says now to those who suggest anything else that they are giving assistance and aid to communism. This is the defence of the Prime Minister, who took such a positive line in the two recent federal election campaigns.

Now, in so far as this works program is concerned I should like to know, to the extent that it is meeting the problem at all and of course it does not by any means, just how these jobs are dished out. Does the Prime Minister condone the statements in this press clipping I now have in my hand from the Winnipeg *Free Press*? It says. "I Hand Out The Jobs Says Minnedosa Tory". Then the article reads:

> Walter Weir, a prominent Minnedosa Progressive Conservative, says Nicholas Mandziuk, Conservative M.P. for Marquette riding, has given him the authority to hand out winter jobs in Riding Mountain national park.
>
> —Mr. Weir described the method of allocating labour to park projects in an interview. "We have agents in a number of centres throughout the constituency," he said, "and they refer names of people seeking work to me for approval."

Is that the way this abbreviated and anaemic works program is being discharged by the government of the day through its representatives in various parts of Canada? I am sure the Prime Minister would be the last man in the world to give work to a particular individual because of his political affiliation. I have no doubt that the Prime Minister would never think of doing anything like that, but apparently that is what is happening. I hope he will take steps to correct it.

The Prime Minister, Mr. Speaker, would have us believe that everything is well in the nation. Indeed, he quoted from a letter written by the statistician of the Bank of Nova Scotia commending the government for certain of its policies. Then he cited the article in the London *Times* written by my leader. Did he expect that my leader would be disloyal to this country when writing for a publication outside of the country? The Prime Minister said there were no criticisms from labour or agriculture, and that even in Saskatchewan they are happy. Yes, this government is resolutely facing its responsibilities in accordance with the economic situation in the country, the demands of the people and the assurances given the people during the election.

What are the real facts? The real facts are, first, that every responsible labour leader is condemning this government. The leaders of farm organizations are condemning it, and for the first time in the history of Canada within my knowledge six bank presidents have not only commented on the economic situation in our country but have directly criticized this administration for its failure to deal adequately with unemployment and with inflation. Those bank presidents were the president of the Canadian Bank of Commerce, the president of the Bank of Nova Scotia, the president of the Bank of Montreal, the president of the Toronto-Dominion Bank, the president of La Banque Provinciale and the president of the Royal Bank of Canada, who made the last indictment which I am sure the Prime Minister recalls. These are gentlemen normally regarded as strong supporters of my hon. friends opposite. These are the people who welcomed the conversion loan, with the consequential burdensome debt which it has created.

Some hon. members opposite may laugh, but this is no laughing matter. We have been called upon by those whom we represent to thoroughly discuss the problems that confront this nation at this time. The Prime Minister knows now better than anyone else the

deep concern that prevails all over the country. If the Prime Minister cannot bring forward a program to meet unemployment; if his government after the most honourable and careful consideration finds that it cannot bring forward an acceptable program to deal with inflation, then the Prime Minister should rise and discuss these matters frankly in the house.

The Prime Minister is an avowed reader of political biography. He knows what happened on one occasion when one of his favourites, Mr. Disraeli, was confronted with an analogous situation. The British prime minister rose in the house and frankly said the government could not fully cope with the situation. He acknowledged he had made promises in the election campaign to the effect that he could deal with the kind of situation which then confronted him, but he wanted frankly to take the house and the nation into his confidence. He said that in this situation he wanted to put the interests of his country above the interests of his party and to clearly and dispassionately set out the facts. Our Prime Minister does not do that. Instead he resorts to unworthy debate—

Mr. Speaker: Order. I have allowed the hon. member to continue his speech for a couple of minutes because of interruptions, but his time has now expired.

Mr. Martin (Essex East): I thank you, Mr. Speaker, and I hope the Prime Minister will pay heed to what I have said.

Hon. Michael Starr (Minister of Labour): My first words, Mr. Speaker, will be words of congratulation to the mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address in reply to the speech from the throne for the fine way in which these two young men acquitted themselves and the logical way in which they presented the situation in Canada, the one with respect to the agricultural position and the other with respect to unity in Canada. I am sure their contributions did a great deal to add to the debate; that they will serve their constituents well, and that their constituents as a result will be proud of their achievements. We in this house will also be proud of them as members.

I listened with greatly mixed feelings, Mr. Speaker, to the speech of the hon. member for Essex East (Mr. Martin). I may say that he was far more vocal today than he was on the television press conference the other night. He spent a great deal of time endeavouring to present figures which would agree with his forecast of last July in this house. I can only say that in past years, as a politician, he has been held in high regard in this house and in this country. I have a high regard for him as a personal friend, but I must say that he has declined somewhat in his endeavour to take on the role of a prophet, and in this respect he has been a complete failure. In his prophecy of last July he said that during the month of December there would be 550,000 unemployed and seeking work according to the dominion bureau of statistics survey. He is only out 110,000.

Mr. Martin (Essex East): Mr. Speaker, my hon. friend—

Mr. Starr: He endeavoured to build up that figure today so his prophecy would be a reality.

Some hon. Members: Order, order.

Mr. Martin (Essex East): My hon. friend knows that is not a fact. I estimated 500,000 and there were 574,000 on December 17.

Mr. Starr: The hon. member for Essex East is confused about these figures. He is quoting 574,000. Let me point out to him that those are the N.E.S. figures, and I was talking about the D.B.S. figures. I will come to the N.E.S. figures for the month of December. These are on record in *Hansard*. He estimated one million registered for employment with the N.E.S. offices, and as a matter of fact he is just out 250,000.

Mr. Martin (Essex East): That is wrong, Mr. Speaker. I rise on a point of privilege.

Some hon. Members: Sit down.

Mr. Martin (Essex East): The hon. gentleman has no right to take the stand he has taken.

Some hon. Members: Sit down.

The Acting Speaker (Mr. Rea): Order. The Minister of Labour has the floor. If the hon. member for Essex East has a question he wishes to ask the minister he should ask it in the regular way. If permission is given he may ask it.

Mr. Chevrier: It is a point of order.

Mr. Martin (Essex East): I am not asking a question, Mr. Speaker; I am speaking on a point of order. No hon. member has a right, unwittingly or otherwise, to deceive the house as to what another hon. member has just said. I have said that in the month of January, as of the 8th of this month, there are over 750,000 applicants for work. To this figure I have added certain categories that have been excluded, which brings the figure up to almost 850,000.

Mr. Harkness: What is your point of order?

Mr. Martin (Essex East): The Minister of Labour knows that.

Some hon. Members: Order.

Mr. Starr: That is exactly what I have tried to point out in an effort to give the facts rather than the myth which has been perpetuated by the hon. member for Essex East, who endeavours to lend reality to his prophecy. He points out that a category is left out, and he refers to the fishermen. He also uses the figure of 50,000, which in fact is quite wrong. For fishermen at any time, particularly last year, the figure amounted to only 30,000. Even if he does add the figure of 30,000 he is still out 220,000.

This present concern about unemployment on the part of the hon. member for Essex East has me rather puzzled. I welcome his concern for people who are unemployed. Yet, Mr. Speaker, I wonder why when he sat on this side of the house and was an occupant of the treasury benches, when the unemployed in his own city of Windsor amounted to 12,000, 14,000 or 15,000 people, he never once uttered any word nor did he urge his government to do anything about that situation, nor did we hear anything about it.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Harkness: Sit down, the Speaker is on his feet.

The Acting Speaker (Mr. Rea): Did the hon. member for Essex East wish to ask a question?

Mr. Martin (Essex East): Yes. As a matter of privilege, when the minister says that never, when we were confronted with this situation, did we do anything, I will say this to the Minister of Labour. Will he not agree that when I was a minister—

The Acting Speaker (Mr. Rea): Order.

Mr. Martin (Essex East): This is a question of privilege.

The Acting Speaker (Mr. Rea): I should like to know what it is. The hon. member for Essex East talks about a question of privilege. I did not quite catch what it is.

An hon. Member: He wants to make a speech.

Mr. Martin (Essex East): The minister says that when my city was confronted with an unemployed population of some 14,000 I did not raise my finger at any time as a member of the government to do something about the matter. That is a serious indictment and a reflection on any member of parliament. By way of answer to that allegation I should like to say that my record in this house—

Some hon. Members: Sit down.

The Acting Speaker (Mr. Rea): Order. We cannot have two hon. members making speeches at the same time. The Minister of Labour has the floor.

Mr. Martin (Essex East): I have raised a question of privilege.

The Acting Speaker (Mr. Rea): I am sorry, but I do not recognize the question of privilege. All I seem to hear from the hon. member for Essex East is a speech. If he has a question of privilege I should like to hear it.

Mr. Martin (Essex East): I shall be glad to restate it, and I would ask Your Honour to pay close attention to what I am saying.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): I am objecting to what the hon. gentleman said, which was to the effect that when I was in a position of responsibility I did not raise my finger to help the unemployed in my own city.

Some hon. Members: Order.

Mr. Martin (Essex East): My question of privilege is this. That statement is a reflection on my conduct as a member of this house and as a member of the government of Canada at one time, and I say that I have a right to answer it. I answer it now by saying this. The hon. member knows that no one in this house has worked harder for the welfare of the people of Canada than I.

Mr. Starr: Mr. Speaker, I hope you are taking note of the time the hon. member for Essex East has taken which rightfully belongs to me, I hope that I will be allowed extra time.

I said, Mr. Speaker, that when the hon. member for Essex East was on the treasury benches and when unemployment in Windsor was as high as it is today and in some cases higher—

Mr. Martin (Essex East): It was never higher.

Mr. Starr: We have figures to prove it.

Mr. Pickersgill: Just like the Prime Minister's figures.

Mr. Starr: When we were on the other side of the house, where he is now, and when we asked that seasonal unemployment benefits be extended to help those who were unemployed—and we had in mind the people of Windsor among others—the government took no action whatsoever.

Mr. Martin (Essex East): That is not what the minister said.

Mr. Starr: While the opposition criticize our efforts now, when we have sought the

co-operation of the provinces and of the municipalities, in putting people to work, and when the hon. member minimizes and ridicules the fact that 16,000 or 15,000, as he asserts, will be put to work—

Mr. Martin (Essex East): Out of half a million.

Mr. Starr: —we are proud of the fact that we are able to put 16,000 people to work. As a matter of fact, within the next few weeks on site there will be more than 20,000 people employed. When you count those who are in industry supplying materials you can safely bring that figure to 60,000 people. That is what we are proud of, namely that we are taking action. May I say, Mr. Speaker, that as long as I am able to put one person to work I will be proud of the fact.

Mr. Martin (Essex East): We want you to put many thousands to work.

Mr. Harkness: We have done that.

An hon. Member: That is not what was promised.

Mr. Starr: If we had from the members of the opposition the same co-operation and constructive and reasonable suggestions as we get from the provinces and the municipalities and organizations and individuals across this country who are endeavouring to co-operate with us to overcome and alleviate the situation, we would put thousands of people to work. But we are not getting that co-operation from the opposition. All we are getting is destructive criticism.

It is my intention today to put forward in simple and forthright terms—

Mr. Pickersgill: I wonder whether the minister would permit me to ask a question.

Some hon. Members: Oh, oh.

The Acting Speaker (Mr. Rea): Order. Does the minister wish to allow the hon. member to ask a question?

Mr. Starr: I will do so, Mr. Speaker, if I am assured that the time taken up by these interruptions will be added to my regular period.

The Acting Speaker (Mr. Rea): The Speaker cannot change the rules, which provide for 40 minutes.

Mr. Pickersgill: There will be no objection from this side of the house.

Mr. Starr: I would ask the hon. member to withhold his question.

Mr. Pearson: I think in this important debate the minister should have all the time he needs.

[Mr. Starr.]

The Acting Speaker (Mr. Rea): With the consent of the house.

Mr. Pickersgill: I should like to put this question to the minister. Did he not receive from me a thoroughly constructive suggestion for dealing with the unemployed fishermen, and did the Prime Minister not tell us on Friday that it was still being considered? Then did the minister not tell us this week that it was no longer being considered?

Mr. Starr: The hon. member for Bonavista-Twillingate eventually and at last made a constructive suggestion.

Mr. Pickersgill: In October.

Mr. Starr: I am surprised, because when he sat over on this side of the house he had none of these suggestions nor was anything done about the situation.

Mr. Pickersgill: That is no answer to my question. That is no answer to the fishermen.

Mr. Starr: It is my intention to show that the action this government has taken has been effective. The attitude taken by the official opposition has been throughout, one of negative and destructive criticism. Our stand is this. We came into office on June 21, 1957. We saw the situation. We analysed it. We took immediate and positive action to deal with that situation, and our action has been effective within the limits of any action which can be undertaken by a government dealing with a situation which has world-wide ramifications and repercussions. The consensus of commentators and analysts not only in Canada but in other countries is that the action we took was wise and effective, and in this respect we came off better than the United States.

In proof of this contention I should like to read a number of sentences from *Labour Research*, a publication of the Canadian Labour Congress for June, July and August. First I should like to read this sentence:

> The recession now seems to have hit bottom, and recovery seems to have started.

Then, after dealing with the employment situation and quoting figures comparing Canada with the United States, the article expresses the opinion, "Manifestly, Canada has come off better here." The article ends by saying, "Here again, Canada came off better."

This is the view of the Canadian Labour Congress. The opposition in the course of this debate, and particularly the Leader of the Opposition, claimed that any government action so far has been one of confusion. I say that the actions we have taken compose a record of sober and positive achievement,

and I intend to show that the actions of the government have been positive and constructive in nature.

We recognized the situation in June of 1957. Unemployment was rising, there was no question about that; the figures proved it. This situation was complicated by a large volume of immigration. We took immediate steps to curb the flow of immigration in order to give us an opportunity to level off the economy so as to provide jobs for those immigrants. The action of the former government was to allow this mass of immigrants to come here and walk the streets of Canada, the land of milk and honey, without jobs.

Mr. Pickersgill: May I ask the minister a question?

Mr. Starr: I wish the hon. member for Bonavista-Twillingate would hold his question until I am finished.

Mr. Pickersgill: Well, Mr. Speaker—

Some hon. Members: Sit down.

The Acting Speaker (Mr. Rea): Order. The Minister of Labour apparently does not wish to have a question asked at this point.

Mr. Pickersgill: Then I have one other course, and it is to raise a question of privilege. The minister stated that the present government had stopped immigration. Well, the Minister of Justice told us, when that view did not seem to suit his argument, that this was done by the previous administration, and I want to ask the Minister of Labour if it is not true that all the government did was to confirm an order I had made in April, 1957.

The Acting Speaker (Mr. Rea): Order. I cannot see a question of privilege. May I at this time refer hon. members to Beauchesne, fourth edition, citation 126, which reads as follows:

> If a member desires to ask a question during debate, he should first obtain the consent of the member who is speaking. If the latter ignores the request, the former cannot insist, even if he thinks he is being misrepresented. He cannot make a denial during the speech, but he must wait until the member has resumed his seat and then he may ask leave to make a statement, or he must wait until his turn comes, to address the house.

Mr. Starr: Subsequently, Mr. Speaker, legislative measures were introduced, a great number of which had as their objective the curbing of the unemployment situation. I may say, as a start, that we as a government, not in the same negative fashion as the former government, realized that unemployment was a situation concerning all Canadians. We took the responsibility. That problem, to us, is above politics. We have recognized that responsibility from the very beginning, not as the former government had done in 1955, when unemployment was as great as it is at this present time.

Some hon. Members: Oh, oh.

Mr. Starr: There were 425,000 unemployed in 1955. The objective was to add to the purchasing power of the Canadian people and to create work for persons unable to find employment. In June our objective was to stimulate the Canadian economy which was suffering from a number of recessive factors, factors which we inherited at that time. In briefly reviewing these facts it is very evident that had the government not taken immediate and positive action the situation would have been much worse.

Mr. Martin (Essex East): It could not be much worse.

Mr. Starr: Well, it could possibly be as bad as the hon. member would like to see in order to bring his prophecy into reality.

It is now evident to the unprejudiced mind that the action taken by the government was effective in blunting the sharp edge of the recession and providing the Canadian economy with a stimulus which enabled it to regain to a considerable degree the buoyancy it had been losing when this government took office. In this connection I should like to point out that the effects of the recession were much more severely felt in the United States, and I have already quoted the comments which have been made on that point by *Labour Research,* the publication of the Canadian Labour Congress.

Among the immediate measures which were taken were the increases in the old age security benefits and the rise in pensions for veterans and blind persons, which had the effect of adding to the income of a great number of Canadians. Would the Leader of the Opposition say there was any confusion about this? Does he think for one moment that there was confusion in the minds of those who received these increases? I think the only confusion that existed was in the minds of the opposition. Last September the government revoked section 161 of the Unemployment Insurance Act, the section which imposed additional conditions for the receipt of benefits by married women. The amendment enabled married women who became unemployed to benefit to a greater degree with regard to the receipt of unemployment insurance. Was this action taken by the government an evidence of confusion? Most certainly it was not in the minds of those who benefited by it, but it was in the minds of the opposition. Then we removed the threshold under the Unemployment Assistance Act in order that participation in the benefits of that act might be made more

widely available. Was this confusion? Certainly not. The only confusion was that which arose in the minds of the opposition.

Shortly after that a massive stimulus was introduced into housing construction in Canada which, over a period, meant that a total of more than $350 million was made available through the Central Mortgage and Housing Corporation. The effect of this measure in the housing field has been to produce a greater number of Canadian homes in 1958 than at any previous time. A record has been set. Would hon. members opposite claim that this action by the government was an evidence of confusion? It certainly was not to the people who were able to buy these homes or the people who were employed as a result of the construction of these homes. The only confusion, Mr. Speaker, is in the minds of the opposition. The action of this government in the housing field alone provided employment for many thousands of Canadians. Certainly in the minds of the 620,000 Canadians who have been given jobs as a result of this action there is no confusion about the steps taken by this government. The only confusion exists in the minds of the opposition.

I should like to point out also that last session Bill No. 71 was passed amending the Unemployment Insurance Act and extending seasonal benefits for a period of two months, something we had long advocated in this house. The only time confusion existed was when the opposition was sitting on this side of the chamber and would not listen to reason or help those who were unemployed. Certainly those Canadians who had the benefit of the two extra months of seasonal benefits felt no confusion about the direct action of the present government. Again the only confusion that exists is in the mind of the opposition. I sometimes wonder whether or not they approve this sort of action.

Mr. Pickersgill: Are you going to do it again this year?

Mr. Starr: With the further object of increasing the purchasing power of Canadians the personal income tax was reduced in September and the excise tax on automobiles was also reduced.

Mr. Martin (Essex East): Five per cent.

Mr. Starr: Certainly I would like to see it reduced further, but the government must be aware of its financial responsibilities. I come from a constituency that is similar to that represented by the hon. member for Essex East.

Mr. Martin (Essex East): Let us, you and I, get together and talk to the Prime Minister.

[Mr. Starr.]

Mr. Starr: But we must do these things as we find ourselves able to in the light of our financial responsibilities. No confusion existed in the minds of Canadians with respect to this action, Mr. Speaker.

Last summer I called a national winter employment conference in Ottawa in order to obtain the advice of the leaders of this country in industry, in the provinces, the municipalities and national organizations with a view to seeing what could be done about helping unemployment during the winter months, and again there was no confusion in the minds of the people of this country in that respect. We called a municipal conference for the first time in the history of Canada.

Mr. Pickersgill: That happened every year under the previous regime.

Mr. Starr: We sat down with the mayors of municipalities, and as a result of that conference the municipal works incentive program was initiated. This was a suggestion of the municipalities of Canada. We were willing to co-operate to an even greater extent than was first suggested to us when they discussed this problem. As a result, on October 27, 1958 the Prime Minister announced that the federal government would pay 50 per cent of the payroll costs of municipal works carried out between December and April. I shall deal with the result of that municipal program later.

Now, what has been the reaction of the Leader of the Opposition to this plan? In a borrowed phrase I might say that his reaction was "too little and too late". When he appeared on a television press conference I was amazed, when he was asked what he would suggest should have been done and when it should have been undertaken, that he replied that nothing could be done now; it should have been done in the fall of 1957. We do not subscribe to that theory. Any time is the right time to take action if the situation demands it. This government cannot condone the excuse that we cannot do anything about it because it could have been done a year ago. That is not the attitude of this government.

Mr. Pickersgill: What are you going to do now?

Mr. Starr: I should like to recall to the house that last January the government announced an offer to the provinces to pay 50 per cent of the cost of construction of forest access roads where construction was undertaken before June 30, and also to pay 50 per cent of the cost of construction and improvement of picnic grounds. This was welcomed by the provinces. They immediately

put thousands of men to work. Was this an action of confusion? Again I say the only confusion that exists is in the minds of the opposition; and if we had not put these things into effect I am sure that hon. members of the opposition would probably have been overcome by a sudden kindness of heart and would have suggested these measures themselves in order to get the credit for them.

The house will recall that in January of 1958, Bill No. 247 was introduced providing financial assistance to the Atlantic provinces in order to stimulate industrial development in those areas. Did this cause confusion? Were the Atlantic provinces confused when they accepted it? Most certainly not; they recognized it as a direct and positive action on the part of this government.

Once again, in May of 1958, this government took concrete, constructive action. Bill No. C-9 was passed to provide a temporary six weeks extension of seasonal benefits under the Unemployment Insurance Act. Do hon. gentlemen in the opposition think there was confusion in the minds of those who received those benefits for an additional six weeks? Certainly not; members of the opposition were the only ones who were confused by these direct and effective measures that have been taken to alleviate the situation.

Mr. Robichaud: Ask the hon. member for Restigouche-Madawaska (Mr. Van Horne) if there was confusion.

Mr. Starr: May I also remind hon. gentlemen that an agreement was signed with the Saskatchewan government in relation to the South Saskatchewan river project. Was that confusion? Do you think for one moment that the people of Saskatchewan and surrounding provinces believe that was an evidence of confusion? They recognize that it provided employment for hundreds of people on the project. The only confusion that existed was in the minds of the Liberals, who for 16 years did not do anything about it; and they are still confused.

Let us examine the reaction of the provinces to the municipal incentive program. This has been greeted with enthusiasm by all the provinces. I am happy to say that they all approved of this plan and nine of the ten provinces, with the exception of Prince Edward Island, are now participating. We have well over one thousand projects approved at this moment.

I sometimes wonder where certain hon. members of this house obtain the information they use in an endeavour to criticize and embarrass the government in relation to this program. I listened with interest to the program "The Nation's Business" a week or so ago and heard the hon. member for Timmins (Mr. Martin) indicate that on a project costing $100,000 a certain percentage went into the cost of material, a certain percentage went into the cost of machinery, and only $2,500 represented the cost of labour; this on a project amounting to $100,000. Are we seriously expected to believe that the labour content of municipal projects represents only 2½ per cent of the cost, and that the government's share is 1¼ per cent? Let me inform the house that so far over 1,000 projects have been undertaken, and the percentage of labour content of all of these projects is 39 per cent. That proves how inaccurately this whole situation is being presented to the Canadian people by some hon. members of this house who choose to base their statements not on fact but only on desctructive criticism.

May I call it one o'clock, Mr. Speaker.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Starr: Mr. Speaker, at one o'clock I was discussing the municipal incentive plan, and I was informing the house of the cooperation we were receiving from the provinces and municipalities in implementing this plan in order to provide work for Canadians. But I wish to say at this time that the attitude of the opposition toward this plan has been a negative destructive approach. It has been an attitude of carping criticism; of treating lightly the fact that some 20,000 people will be employed on site and some 40,000 off site. That has been their position right along, Mr. Speaker.

The Leader of the Opposition the other day delivered himself at some length of an analogy relating to newly married couples, and made the statement that the honeymoon was over. But I will say that his party and his approach remind me of an old maid screaming about a man under the bed. That is all they are doing, Mr. Speaker, just screaming. There has not been one constructive, positive suggestion so far. While they have been screaming, Mr. Speaker, this government has been taking action.

What actually has been the reception accorded our program, Mr. Speaker? There have been varying reactions. I will say that for the most part reactions across Canada have been positive and constructive, and there has been a readiness, indeed in most instances an eagerness, to take part in the plan which indicates the need of this sort of program at the municipal level. At the same time I should also like to indicate that

the provinces have been wholehearted in their co-operation. The plan has been in effect now, from the practical point of view, for only a little over six weeks. At the present time applications are coming in at a rate which indicates that the result over the next few months will be fruitful and positive.

What has been the reaction amongst the commentators and analysts? For the information of the house, Mr. Speaker, and with your permission I should like for a few moments to dwell upon that point. I take the liberty at this time of referring to the Toronto *Daily Star* of December 27. In an editorial under the heading "A Good Start" the *Star* commented as follows:

> By paying 50 per cent of the labour costs of municipal winter work projects the federal government has so far helped to create temporary jobs for 9,400 Canadians. While this is a small number against the 361,000 Canadians who are unemployed at last report it is an encouraging start all things considered. With improvements and additions the plan could become an important remedy for winter unemployment.
>
> The showing is not bad considering that the municipalities had little time to prepare for it.

I should also like to refer to an article in the Montreal *Gazette* of December 30 under the heading "Record Construction Forecast". I quote:

> Volume of construction in Canada in 1959 will exceed the record total of 7,100 million in 1958 by from 3 per cent to 5 per cent, Howard J. Ball, Kitchener, Ontario, president of the Canadian Construction Association, forecasts.
>
> Like each successive year in the post-war period Mr. Ball said 1958 was the biggest construction year in Canada on record.
>
> With the continuance of this trend in 1959 construction will retain its position as Canada's largest industry with a direct labour force of some 620,000.

The information I have from New Brunswick, Mr. Speaker, is that a record winter works program is under way there. The minister of labour in New Brunswick, Mr. Skaling, has announced more than 100 projects valued at $5 million are under way or about to be undertaken. In Nova Scotia the minister of labour, Hon. Stephen Pyke, has announced that several winter work projects amounting to $3,167,318 which will provide 127,322 man-days of work have been approved. Mr. Pyke has added that this is a direct result of efforts put forth by the federal and provincial governments to increase employment during the winter months.

In the city of Ottawa a very substantial winter work program is being undertaken, and it is pretty much the same in all major cities across Canada. In Winnipeg particularly, Mr. Speaker, the situation has assumed a very favourable appearance. From reports I have received both from the unemployment insurance commission and from the Winnipeg newspapers, the situation in Winnipeg has greatly improved in the last year. I quote at this time from an article in the Winnipeg *Free Press*, a journal which I might say can hardly be considered as biased in favour of the present administration. On January 8, 1959, the Winnipeg *Free Press* said as follows:

> Winnipeg is going back to work. Employment here has improved to such an extent that the number of job seekers at the end of 1958 was nearly 3,000 less than at the end of 1957 and this in spite of the fact that the total labour force is higher.

The Winnipeg *Tribune* of Thursday, January 1, said in a New Year's day editorial:

> Indeed in the Winnipeg area the picture is considerably brighter than at this time last year.

I should like to quote another article which appeared in *Time* magazine, a well-known United States publication, on January 5:

> As 1958 was soon to prove the gloom sayers were wrong . . . the nation survived a difficult year without falling into the vee-sloped chasm that threatened briefly to trap the United States. A part of the reason was the rapid turn around in the United States. Much more was Canada's own doing. The natural resilience and sensible hard work of a developing nation.
>
> It was reasonable to expect that Canada's recession would be even worse than the slump in the United States. As it developed Canada's down turn was much the milder. Aside from the winter months unemployment hit a smaller proportion of the working forces than the United States. Industrial production sagged less sharply and recovered early.

I quote further from the article in *Time* magazine, Mr. Speaker:

> A second major difference between Canada and the United States was the way government handled recession. Unlike the Eisenhower administration which decided against large-scale priming of the economic pumps John Diefenbaker's Tory government put more spending money in wage-earners' pockets with tax cuts, it increased social welfare payments and provided $43 million for the grain growers.
>
> The most impressive help of all went to housing. The Tories pumped $350 million into mortgage loans for housing much as the United States helped its home-builders. While the United States aid was largely a spot injection to help a particular depressed industry Canada's program was a vitamin pill for the entire economy. In the biggest boom in history 160,000 new homes were started, providing jobs directly to some 250,000 workers and touching off subsidiary booms in a dozen home supply industries. Another area where the government helped was in the outpouring of funds for defence. For Canada consumers all this and more money than ever before to save, spend or just jingle in their jeans.

I continue to quote from *Time* magazine:

> Going into 1959 Canada still faces some knotty problems.

Mr. Speaker: Order. The minister's time has expired. I believe there was some suggestion this morning that he might have more time, but was an order made?

Mr. Pickersgill: Go ahead.

Mr. Chevrier: I think the minister should be allowed to carry on.

Mr. Speaker: Is it agreed that the minister has leave to continue?

Some hon. Members: Agreed.

Mr. Starr: Thank you, Mr. Speaker. I also wish to thank hon. members for allowing me to proceed. I shall continue with the quotation from *Time* magazine:

> Unemployment will continue to be a rough winter problem. Yet, the major lesson of 1958 is that Canada's growing economy is increasingly stable and increasingly confident of managing its own affairs.

That to me, Mr. Speaker, does not indicate any confusion on the part of anyone except the opposition.

Mr. Pickersgill: Except *Time* magazine.

Mr. Starr: Public works expenditures for for 1958 totalled $250 million, and of this amount $145 million was for construction, which again added to the number of jobs available to Canadians. In addition, the department expended $28 million on behalf of other departments, and I should point out that in all these public works expenditures, both by the Department of Public Works and other departments, the main consideration has been that of providing employment where employment is needed. There has been no confusion.

I shall be dealing at greater length with the winter employment program, but at this point I should like to say that it has been a two-phased program dealing first of all with governmental departments and government agencies and, second, dealing with groups outside the government all across Canada where winter employment committees have been formed in most of the major cities of the country. In the government field construction work and purchasing have been to a great extent shifted to the winter months wherever this has been possible. Repairs, renovations and maintenance work all are now carried out during the winter whenever this can be done. As an example of these expenditures by the Department of Public Works, building repairs last winter were double those of the previous year. This year the program is expected to be half a million dollars more than the figure of last winter.

With respect to the matter of co-operation, I might say that there has been no confusion in the minds of those who have co-operated with us, the leaders of industry, leaders of provinces and municipalities. Surely the Leader of the Opposition did not mean that in participating with us in this direct action there is some confusion in their minds.

Last winter the employment provided through the Department of Public Works in building construction work was approximately 3,800,000 man hours, an increase of 31 per cent over the previous winter, and present indications are that this figure will be exceeded this winter. Public works highway programs will provide increased employment in many areas in Canada and are providing increased employment at the present time.

Quite recently the Minister of Public Works announced a program of small post office buildings in various communities across Canada. As of November 24 a total of 63 of these projects had advanced to the stage where tenders were being called, and in many cases contracts have been awarded. That provides jobs. Also this winter, as occurred last winter, the national winter work campaign of the Department of Labour and the unemployment insurance commission was greatly stepped up. The slogan, "Why wait for spring, do it now" which sparked this campaign has become known across Canada. There is encouraging evidence that the extent of co-operation is becoming greater each winter, and people who are not confused are co-operating with us.

I have reviewed a number of positive actions that the government has taken to alleviate the situation. I can only say to any member of the opposition or the whole group, if that is necessary, which one of these actions that we have taken are they opposed to? Which one of them do they think is confusing? Is this part of the program about which they charge the government with being confused?

Mr. Martin (Essex East): Is that a question you are putting to us?

Mr. Starr: I should point out also that much of the impact of government action both in the fiscal field—

Mr. Martin (Essex East): Mr. Speaker, may I answer the minister's question?

Mr. Starr: —and in the field of work provision and job creation has not yet been fully felt.

Mr. Speaker: Order. The minister who is speaking did ask a question, but it did not appear to be one that called for an immediate answer.

Mr. Pickersgill: He did not want an answer.

Mr. Speaker: The minister has the floor unless he sits down.

Mr. Chevrier: He asked a question.

Mr. Starr: Mr. Speaker, I can say that you also are not confused. I repeat, I should point out also that much of the impact of government action, both in the fiscal field and in the field of work provision and job creation, has not yet been fully felt. It takes considerable time for such expenditures and commitments to work their way down into the income and employment streams of the economy. I might say that this is particularly true of increased public works expenditures.

Dealing with the figures of unplaced applicants provided by the national employment service, I should like to point out that on December 24, 1958, the total of unplaced applicants was lower by 14,874 or 2.2 per cent compared with the previous year.

Mr. Martin (Essex East): It did not include fishermen.

Mr. Starr: This was the first decrease in the N.E.S. figures on a year to year basis that has been registered since December 27, 1956. On January 8 the N.E.S. figure was 4.3 per cent below last year, and that meant a decrease of some 46,485. Because of our action to help the placement of people seeking work, I am glad to report that during the past month, December, 1958 we placed 69,571 people in jobs, the highest placement on record since 1952. These facts show that we are well on our way out of the recession.

Mr. Denis: Who was in power in 1952?

Mr. Starr: Yes, but you were also in power in 1953, 1954, 1955 and 1956.

Mr. Pickersgill: And there was no unemployment to speak of.

Mr. Starr: The responsibility in these matters is ours. We cannot depend on the opposition, because they have nothing to offer. On behalf of the government I can honestly and conscientiously say that under the present government Canadians will get a fair deal. We took action, effective action. We are now on our way out of the difficulty, and this is borne out as I have indicated by expert analysts, economists and even critics.

Mr. Pickersgill: Before the minister takes his seat, may I ask him a question? I understood him to say that unemployment was higher in 1955 than this year. Could the minister give us the D.B.S. figures, and I mean the D.B.S. figures, for December 1955 and December 1958 to prove the point?

Mr. Starr: Of course, Mr. Speaker, I have not those figures with me at the moment.

Mr. Pickersgill: Will the minister put them on the record tomorrow?

[Mr. Speaker.]

Mr. Starr: I shall consider that, Mr. Speaker.

Mr. Robichaud: May I ask another question. Was I correct in understanding the minister to say there were only 13,000 fishermen eligible for unemployment insurance benefits?

Mr. Starr: I said 30,000.

Mr. Pickersgill: This year or last year?

Mr. Starr: I said there are some 30,000 fishermen, approximately, who would be eligible for unemployment insurance.

(Translation):

Mr. Alexis Caron (Hull): Mr. Speaker, I will take advantage of simultaneous interpretation to deliver my speech in French. I ask the interpreters to forgive me if, at times, I forget myself and speak a bit too fast. It is a matter of temperament.

First, I join the leaders of the parties and all the members who spoke before me to express my deepest sympathy to the Yacula and Lockyer families.

May I also congratulate the new members. It is a noteworthy circumstance to be granted the confidence of the people of a constituency. Therefore members for Springfield (Mr. Slogan), for Montmagny-L'Islet (Mr. Fortin), for Trinity (the Hon. Mr. Hellyer), and for Grenville-Dundas (Mrs. Casselman) deserve our sincere congratulations.

May I also say to the hon. member for Montmagny-L'Islet whom I have had the pleasure of meeting during his election campaign, that we were genuinely impressed by his speech. He has made what is, from a Conservative point of view, a discovery: the fact that the province of Quebec is part of Canada, and I am glad that he has so stated here.

I am also very happy to congratulate the hon. member for Trinity who, by his work and his conviction, has helped the people of Trinity to understand that the time has come for the Conservative party to do something, instead of always hiding behind the old Liberal administration. I congratulate him; we are very happy to see him back in this house.

As for the hon. member for Grenville-Dundas—who is not here at the moment—may I say that, in her case, the voters were probably little impressed by the Conservative or Liberal programs, but they wanted to give some recognition to her feminine charm.

Now, Mr. Speaker, I wish to comment on the speech from the throne. Having read the speech, I think that it is perhaps time to consider certain necessary changes. It seems almost improper to me to put such fulsome

praise into the mouth of Her Majesty's representative. To me, it practically amounts to dragging the Queen's representative into politics. It seems to me that, while retaining the principle of the speech from the throne, we could ask the Queen's representative to come to parliament, welcome members in his words and pray God to guide them. The right hon. Prime Minister could move a vote of thanks, seconded by the Leader of the Opposition, and right after the unanimous adoption of this motion, the government could place before the house the legislative program planned for the session.

This would enable us to get to the budget speech earlier, and so that members be allowed more latitude, we could spend 15 or 16 days, instead of 8, on the budget debate. Thus, the crown would keep its prerogative of making a speech from the throne, without being forced to praise the achievements of the government, be it Liberal or Conservative.

I hope that the government will give this matter due consideration. Nor am I alone to hold this view. In the Ottawa *Journal* of 19 January last, I read an article, written by Mr. Norman Smith. I shall not quote from it but it was entitled:

My P.M., My Government
My Ministers—My Word!

Those are samples of the words that are being put into the mouth of the Queen's representative. I think anyone interested would find inspiration in this article, which they could read quietly at home, and which I am not going to put on record.

I take this opportunity to congratulate the leader of the Liberal party (Mr. Pearson) for his clear, precise and informative analysis of the present situation. For many years now I have been hearing party leaders make speeches, and I think it is seldom that one can hear a statement so clearly and so pointedly made as that which was given us by the Leader of the Opposition. It gives me pleasure to tell him that the members of the Liberal party are increasingly proud to follow his directives, for they are wise and they are clear.

As far as the right hon. Prime Minister (Mr. Diefenbaker) is concerned, I have often listened to him. He has the reputation of being an outstanding orator, yet this year, well, he has been pathetic. To my mind, his speech was the poorest he ever made in this house.

Mr. Chevrier: Hear, hear.

Mr. Caron: He has kept harping on his old themes. He evaded the issue, and even tampered with the facts in an attempt to improve his case. He even denied acknowledged facts. This incidentally turned against him this morning, when the hon. member for Essex East (Mr. Martin) proved to him that he had altered the facts to bolster his case. In fact, all that can be construed from the Prime Minister's speech is this: Anything wrong that happened since the Conservatives are in power can be blamed on the Liberals, and anything right is the work of the Conservatives.

An hon. Member: Quite true.

Mr. Caron: But when did he ever prove that this is so. Never. Oh, he does have a marvelous mind, he is a gifted speech maker, and he has a remarkable mimicry which allows him to express himself as do top Hollywood actors, but he has been unable to convince either the house or the press, or the Canadian people.

We have come up against problems, says he—

Mr. Harkness: So you would hope, but it is not true.

Mr. Caron: Would the minister repeat that, either in French or in English so that I may understand him?

(Text):

Mr. Harkness: That is what you would like to believe, but it is not true.

Mr. Caron: I am not surprised at that coming from the minister, because he is one who can also distort the facts.

Mr. Harkness: Mr. Speaker, I think the hon. member should withdraw that statement.

Some hon. Members: Order.

Mr. Harkness: I am speaking on a point of order.

Mr. Chevrier: You are not on a point of order; you have not said so.

Mr. Harkness: The hon. member should withdraw the statement that I distort the facts. There is no evidence at any time in this house that that has been the case. In fact the evidence is completely to the contrary.

Mr. Chevrier: If I may be allowed to interrupt—

Some hon. Members: Sit down.

Mr. Chevrier: On a point of order—

Mr. Speaker: The minister has raised a point of order. I shall be glad to hear any comments. The words complained of have been used previously. However, I am not averse to hearing what the hon. member for Laurier has to say.

Mr. Chevrier: Mr. Speaker, the minister stated that what the hon. member for Hull was saying was not true. Then he complains about the same language being used against him.

Mr. Harkness: Once more, Mr. Speaker, the hon. member for Laurier has not stated what I said. What I said was this. The statement made by the hon. member was to the effect that the Prime Minister's speech was not convincing to the house. I said that he would like to think that was the case, but it was not true.

Mr. Chevrier: Let the hon. member make his own speech.

Mr. Speaker: The objection taken was to the statement made by the hon. member for Hull about the hon. Minister of Agriculture, to the effect that he had distorted facts or was one of those capable of distorting facts, or could distort facts. If the hon. member for Hull does not wish to modify his statement I shall give my views on it.

(Translation):

Mr. Caron: Mr. Speaker, I have no objection to withdrawing what I have said: but facts are facts, let him face them as he sees fit.

Mr. Harkness: Thank you.

Mr. Caron: The Prime Minister said: "We have faced the problems as they came up". It is precisely about this that the Leader of the Opposition chided the leader of the government and the government itself. Instead of having prepared a program, instead of having foreseen what was coming, they waited until the worse came, and then they tried to put up with the situation as best they could. It is precisely what we had against him, and the Prime Minister admitted it himself when he stated: "We faced the problems as they came up." Now there is an old principle which says that "to govern is to foresee". As the present government cannot foresee, one must conclude that it does not know how to govern. Its policy is one of drifting, a policy of doing the indefensible. That is why ministers opposite have so much trouble trying to defend this policy. And we are being told that the duty of the opposition consists, as stated by the Minister of Labour, in suggesting to the government what has to be done.

Well, if we read over the speeches made by all those who were here in the opposition before the Conservative party came to power, including those of the Minister of Agriculture, we realize that they were merely destructive in their criticism, and that they never offered any suggestion that could be of any help to the government. That is what they have done, and we had nothing against that; today we have the right to adopt the same method, the same means.

As stated by the Leader of the Opposition after the convention where he was chosen leader of his party, the role of the opposition is to fight and to criticize the government. Our attitude has been the same as the Prime Minister's at the time he was leader of the opposition. We are going to fight and criticize the government; furthermore, we are going to remind it that it is not keeping its promises. We were promised that the country's evils would be remedied. During the election campaign, we did not hear the Liberal party being reproached for what it had done in the past. We were told that the Conservatives would cure the evils that now beset this country. That is why I say to the Prime Minister, and to those around him: now is the time for action. Put up or shut up.

I have here an article or rather an excerpt from an article by Mr. MacDonald in the *Canadian Commentator*. It says this:

> During the first few months of 1959, the eyes of Canada will be turned on Ottawa, watching the discussions of a party strong in power but wavering in principle.

That is exactly what the Leader of the Opposition has said. Here is another article, this one from *Le Droit*, signed by the parliamentary correspondent Pierre Chaloult, to this effect:

> Mr. Diefenbaker knows more than anybody in this country that the time for promises is past; that the next months will be difficult ones; there will still be unemployment; that, if there is any hope of improvement in the fall, it should be explained meanwhile why Canada's domestic and foreign trade has slowed down. There should also be some explanation as to why the Americans, the British, the French, the Canadians and others cannot agree on everything and more particularly everything that has to do with the problems of collective security, while each nation's financial responsibilities are increasing instead of diminishing.

These are statements of people who cannot be called rabid followers of this or that party.

I see in the *Citizen* the following article written by Mr. Swanson:

(Text):

> Whatever was wrong with Canada today was the fault of the Liberals; whatever was right with it had come because of the far-sighted, statesmanlike actions of his government.

And, later:

—Mr. Diefenbaker once advocated as the main function of an opposition—to fight. If parliament is to be preserved as a living institution, he said, Her Majesty's loyal opposition must fearlessly perform its functions.

(Translation):

Now, they are the ones who ask us to stop criticizing them and to offer suggestions. Well, the day has not yet come when the party in power, or the opposition, can expect the opposite party to sing its praises in parliament, and we shall have to wait a long time before this happens.

The speech from the throne refers to the visit of Her Majesty. All Canadians are happy to know that our gracious sovereign will visit us next summer, and Canadians, especially the average citizens, hope that, during her trip, Her Majesty will be given a chance to get a bit closer to the people, because this is not a totalitarian country where people's lives are in danger. The Canadian people are disciplined, they love their sovereign, and want to take a close look at her. This visit of our sovereign should not be just for the "brass hats", while people are kept 200 feet away behind ropes.

I remember that, when I was mayor of the city of Hull, the Queen Mother came to see us. At the time the Secretary of State Department had asked us, had in fact ordered the R.C.M.P. to let no one but officials and guests into the city hall. When I entered that hall and felt its chill atmosphere, well, against the wishes of the Secretary of State—I admit this remissness today—I gave instructions that the public be allowed to enter city hall. We installed ropes to prevent Her Majesty from being too pressed by the crowd. And when she went by—

Mr. Speaker, I hear laughter from the hon. member for Roberval (Mr. Tremblay) and every time I hear his inane laughter, I wonder how it is that a Canadian university could hire as a professor a man of this stamp. He should stand up so that all may see his silly grin.

An hon. Member: He failed at his exams.

Mr. Caron: And when the Queen Mother went by, so close to the people, a woman held up her baby and the Queen Mother went up to the child and patted it. Imagine the feelings of this mother seeing the sovereign of Canada go up to her baby.

Now the same thing could happen again. I hope that during the visit of the Queen who, we know, loves simplicity we ourselves will be unassuming and remain within the bounds of moderation in the matter of receptions or gifts. Indeed, I hope the gifts that will be presented to her will be typically Canadian. For instance, she could be offered volumes of folklore both in English and in French, also some sculpture; for there are many well known carvers in French or English Canada, or among Indians or Eskimos. The Queen might be given something really Canadian which she would enjoy taking home and be proud to show close friends who visit her at Buckingham Palace. Let us keep in mind that our people are glad to see the Queen, but that they would be sorry if expenses were unduly high, particularly when we are going through a depression like the present one.

In the speech from the throne there was a reference to Berlin and to the difficult international situation. To my mind the Prime Minister and the other ministers were right to mention it, because we are living under constant tension and difficulties, throughout the world, far from disappearing, seem to be growing instead. The main reason for this state of affairs, is, I think, that there has been steady adherence to the old principle of pagan Rome: "If you want peace, prepare for war."

Oh, I do not want to say that we should neglect our defences. There must be a modicum of defence. If only we sought to apply the golden rule to our international and domestic relations, which Christ taught us when he was among us, we could spread some of the kindness which should grace man. I believe that in time we would succeed in making this a better world, where it would no longer be necessary to spend billions and billions for the country's defence. Those billions would be earmarked for the welfare of our population, and for those peoples in the world who now are suffering from hunger and from cold.

Reference is made in the speech from the throne to economic assistance to under-developed nations. Mr. Speaker, the Liberal party has always been in favour of helping under-developed countries. Yet, I recall that during a certain election campaign, our Conservative friends in the province of Quebec were shouting at the Ottawa Liberals: "Ottawa gives to foreigners." Well, since these people have been here, the federal government has increased subsidies and gifts under the Colombo plan. We have congratulated them for it and we still congratulate them. And even at the Montreal conference, I mean the commonwealth economic conference, I believe the Minister of

Finance pledged himself to increase up to $700 million, over three years, the assistance we could give to under-developed countries, both within the commonwealth and in the rest of the world. And yet, not one of these gentlemen was heard criticizing what they formerly reproached the Liberals with doing. Ministers, no less than ordinary members, have kept mum on this matter. Yet, once again, we Liberals are going to approve this assistance. Liberals favour the idea because they believe that help to under-developed countries is a principle of Christian charity which must spread throughout the world.

Likewise increased has been assistance to universities. Did any of these gentlemen rise in further criticism of this policy as applied at the time we were in power? Oh no; silence is golden when you are in power.

We all know that the Minister of Citizenship and Immigration (Mrs. Fairclough), is a charming, sweet, amiable and agreeable person, whom we all like to meet; but we also know her to be ultra-British, and to be bodily in Canada, while her mind is in England. Recently she stated that our national anthem is not "O Canada", but "God Save the Queen". The Minister of National Revenue (Mr. Nowlan) voiced his approval. Well, Mr. Speaker, I think when we hear "God Save the Queen", we can only look upon it as an anthem purely designed for royalty. It is not even a national anthem. It is greater than a national anthem, for it sings the glories of royalty, and it is also a religious hymn, containing an appeal to divine guidance and the Lord's protection for our sovereign, whereas "O Canada" is truly a national anthem, since it sings the greatness of our country, a country that has now come of age.

Canada has come of age. No longer is it a colony as in the days of Sir John A. Macdonald, or even those of Sir Wilfrid Laurier. Today we can walk alone, unassisted, without being held by the hand. Have we heard a single protest from the Minister of Mines and Technical Surveys (Mr. Comtois), from the Secretary of State (Mr. Courtemanche), and from other members, from the Minister of Defence Production (Mr. O'Hurley)—he is not here at the moment—from the Solicitor General (Mr. Balcer), that great Conservative chieftain for the province of Quebec? Not yet. Why? It is, I believe, because the Prime Minister has chosen his Quebec ministers among the yesmen, rather than men who are able to take a stand.

Mr. Asselin: May I put a question to the hon. member?

Mr. Caron: Please do.

Mr. Asselin: Does the hon. member recall the statement made by the Minister of Defence Production regarding the statement made by the Minister of Citizenship and Immigration, when that statement was made?

Mr. Caron: I shall reply to that at once. The Minister of Defence Production said that he would be in a position to talk after he had consulted his colleagues in the house. He has consulted them, but has not replied yet.

Mr. Tremblay: That is not at all what he said.

Mr. Caron: Could the hon. member for Roberval (Mr. Tremblay) repeat exactly what he has just said? I did not catch his remark.

Mr. Tremblay: In due course.

Mr. Caron: I appreciate the fact that the hon. member is not intelligent enough to remember his own words.

Mr. Johnson: Just look who is talking about intelligence!

Mr. Caron: I appreciate too that the hon. member would wish to come to the defence of the member for Roberval!

Mr. Johnson: He is a nice chap. Could it be that you are talking like this at the instigation of the member for St. Jean-Iberville-Napierville (Mr. Dupuis)?

Mr. Caron: I do not mean to whisper sweet nothings to him.

Mr. Johnson: We shall refer the matter to justice Léger. There will be another inquiry on morality.

Mr. Caron: He is a charming fellow.

Mr. Johnson: We can't say as much of you.

Mr. Caron: Mr. Speaker, if I have offended the hon. member for Roberval, I am sorry.

I hope that Quebec members in the cabinet will let us know of that reaction, at least before the end of this session.

The speech from the throne also mentions the economic conference. Yet we had been

told that the conference had been successful. We heard criticism from Great Britain and from all over the place, about that famous conference. It was promised that such and such a thing would be applied here or there, but we have heard no authoritative statement that the economic conference had really been a success. However, this morning the hon. member for Essex East clearly showed that things were not quite as represented by the Conservative ministers. The speech from the throne also deals with unemployment. I do not propose to dwell unduly on this topic because we will have a chance to bring it up when we come to the estimates of the Department of Labour. Still we know that the right hon. Prime Minister stated on several other occasions, and more particularly in Prince Albert:

(Text):

As long as I am Prime Minister, no man or woman is going to suffer from unemployment so long as public works will provide them the assistance they require.

(Translation):

And what do we hear today? As stated by the hon. Minister of Justice (Mr. Fulton) and other ministers: "It is because of the Grits: the Liberal party left us this legacy."

Yet this is not what the right hon. Prime Minister said when he promised that nobody would suffer from unemployment. He did not say: "We shall try to relieve unemployment." He said: "Nobody will suffer from unemployment," though right now hundreds of thousands of people—and not only unemployed themselves, but their families as well—are suffering.

Some time ago I read in the *Citizen* an article entitled "Winter Work Program", which said:

(Text):

It now seems clear that not many more than 10,000 men will get jobs under the winter works program to which the federal government is contributing 50 per cent of the labour cost.

(Translation):

I also read in the same paper, dated January 13, 1958, an article entitled "The Blame for Unemployment".

(Text):

Although the Diefenbaker government has been in office for about 18 months, Mr. Davie Fulton, the Minister of Justice, the other day tried to place the blame for unemployment on the previous Liberal administration.—His attack on the previous government is purely a symptom of the Conservative party's bankruptcy of ideas.

(Translation):

I also read in *Le Droit* an article by Mr. Pierre Chaloult, in which he said:

The Minister of Justice knows very well that the government will be judged in 1962, not on the basis of what the Liberals have done or failed to do just before being swept out of office, but on the basis of whether or not prosperity will then have been restored at that time.

That is exactly the point. This morning, the Minister of Labour (Mr. Starr) tried to explain and question figures given by the hon. member for Essex East. He said he was expecting more practical co-operation. To this I replied in the same words used by the present Prime Minister when he was in the opposition. "All we got," he stated, "was criticism". Does the hon. minister expect us to sing his praises?

I have known the Minister of Labour when he was a little more responsible and was not merely trying to play politics with his department; I had much more liking for him at that time.

He now tells us that after the government had realized the situation it took immediate steps to improve it. Yet, I recall that, in 1957, when we told them that the unemployment situation was serious and that immediate measures should be taken to deal with it, when labour leaders throughout the country were also telling the government that the situation was serious and had to be remedied at once, everyone replied then, as now do the Minister of Labour, the Minister of Finance, the right hon. Prime Minister, and all those who have spoken about it: "But this is just ordinary winter unemployment; it is not dangerous". Having done nothing, they are now faced with the worst crisis we have ever known. In fact, had it not been for the Liberal party, which introduced the social legislation now in force in Canada, namely the Unemployment Insurance Act, the unemployment problem would be such that all Canadians would ask the government to resign at once.

I say it is their responsibility, not the opposition's, to find an answer to the problem. The opposition is stating the facts as they are: you have failed to act on your promises, people are feeling the hardship of unemployment, thousands of people go to bed hungry, suffer from the cold, lack proper clothing and proper housing. The Government stands pat and contents itself with saying: "We did not do anything to help them". Go ahead: tell the 700,000 unemployed from coast to coast that you are satisfied, and watch their reaction.

The Minister of Labour appears satisfied with the fact that the figures he gave out are slightly lower than those given by the hon. member for Essex East. Well, Mr. Speaker, if the Minister of Labour is satisfied to know that there are over 700,000 unemployed in this country, I personally am

far from being so and I am thankful for not being a Conservative, if that is Conservative policy.

He also discussed the federal government winter building program. It was not until recently that the province of Quebec authorized the use of funds originating from the federal government—

An hon. Member: Autonomy!

Mr. Caron: And because of this famous autonomy, municipalities were unready, for it requires planning to undertake works that are normally done in the summertime. Since the funds have to be spent before April 30, what will be the position of municipalities that start such works in February or in March? They will have to bear the major part of the cost, because that situation was not foreseen, and there is no provision in the act to extend into the summer or fall the benefit of the 50 per cent contribution, to allow for completion of jobs undertaken before April 30. Still, in the face of this situation, the minister is satisfied. I have had the occasion to meet people who know about municipal affairs. Engineers have told me that the cost of winter works is 12½ per cent higher than that of summer works; that the wages paid to the men for winter works, because of the increased use of machinery, represent about 25 per cent of the total costs. This means that half that percentage is also 12½ per cent. If we so increase the costs of winter works, it is of no help to the municipalities. Then, there is the increased interest of between 1¾ and 2 per cent, resulting from the government's conversion loan. This means that, instead of benefiting from this program, municipalities are losing out, and yet they have at this time to shoulder the cost of public relief, they have to help those who do not qualify for unemployment insurance, and so exceed their budget. All this because the government has failed to act at the proper time. The government claims it does want to help municipalities, but it has nothing new to offer.

Well, Mr. Speaker, if this is what the government is satisfied about, I prefer to be a Liberal and not be content with a situation such as this.

Large public works were also mentioned.

Mr. Speaker, I will have to shorten my remarks. I would have liked to touch upon more very interesting matters, but there is one that I do want to point out now. The speech from the throne mentions that certain civil servants should receive certain government benefits. Well, when I saw that sentence in the speech from the throne, I wondered why it is that the civil servants have been dissatisfied ever since the Conservatives came to power.

Why were they not allowed to meet the cabinet? I wondered if this was not some planned action against the civil servants, on the part of this government; and I need no further proof than the words used by a minister of the crown on October 28, 1958, during the last election campaign. It was the Minister of Defence Production (Mr. O'Hurley) who said:

> We have not yet managed to get the Civil Service Commission boys well in hand, but we will do so; then we shall be the ones to manage this business.

And the Conservatives seem to agree to that. I was wondering whether this represented the views of the Prime Minister and whether the other ministers mean to break up the civil service commission so they could exercise shameless patronage, such as we can see in some provinces. I wondered if this was the reason behind the Prime Minister's reappointment of Mr. Heeney, chairman of the civil service commission, as ambassador to Washington, because Mr. Heeney apparently was too much in favour of granting civil servants bargaining rights. I have asked the question, but the government dares not answer. The ministers dare not answer. When will our members of the province of Quebec answer all those questions? No mention of these matters has been made by those who spoke so far.

Mr. Courtemanche: The hon. member for Hull will not be appointed.

Mr. Caron: I hope that you will speak so as to be understood by the people of this province and of the country as well.

Mr. Courtemanche: None so deaf as those who don't want to hear.

Mr. Tremblay: For twenty-two years they have failed to hear.

(Text):

Mr. Speaker: I am sorry to interrupt the hon. member, but his time has expired.

Does the hon. member wish to raise a point?

Mr. Allard: May I ask the hon. member for Hull (Mr. Caron) a question?

(Translation):

In 1948 the Liberal cabinet passed an order in council which amended and ratified the military regulations of 1939 providing that when a Canadian soldier had to salute the flag, the national anthem or *O Canada*, or any other foreign national anthem could be played. I would ask the hon. member for Hull what meaning he gives to this Liberal order in council as to the designation of the national anthem?

Mr. Caron: Mr. Speaker, I believe I should be allowed to answer the question that has been put to me. I was not here in 1948, but I am not afraid to say that if I had been, I would have opposed any order in council or any action likely, in my estimation, to be prejudicial to Canada or to French Canadians. I would have had the courage to rise, to speak and to vote against such measures.

(Text):

Mr. Speaker: The hon. member has asked his question. It is not possible to prolong an hon. member's time of speaking by asking questions after he has resumed his seat. The question should be asked when the hon. member is on his feet.

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, may I be so bold as to compliment you, not in the exact words of the poet but with a meaning somewhat similar, namely that I admire the way you keep your head while those around you are losing theirs.

To begin with, I wish to commend this government on having installed the simultaneous translation system. I had some doubts as to how it would work, but I for one am very happy to admit that I have enjoyed the simultaneous translation of speeches made by our French-speaking colleagues which I would have missed otherwise, nor would I have time to read the English translation the next day. I think it is a step that will really bring us up to date on everything that is said, and it will be understood by every one at the moment it is said.

I wish, not because it is a habit, to congratulate the hon. member for Provencher (Mr. Jorgenson), the mover of the address in reply to the speech from the throne. He spoke as the voice of the farmer, and I have no doubt that his constituents are proud of him. I also wish to congratulate the hon. member for Montmagny-L'Islet (Mr. Fortin) on his maiden speech. By the way, owing to the simultaneous translation, I was able to follow it as he was speaking. His speech on unity was very timely in these days of stress and difficulty that the free world is facing. We must be united in order to be strong in Canada, and strength like charity begins at home. The place to start the principle of unity is right in this country. I congratulate the hon. member and I forecast a bright future for him in this assembly, as he has displayed eloquence, ability and far-sightedness.

I should like to congratulate the Prime Minister (Mr. Diefenbaker) on the success he achieved on his tour of countries of the commonwealth. Regardless of the partisan feelings of some Canadians, I think we are all proud of the triumphant reception that was accorded him wherever he went. I believe there is general agreement in Canada that he accomplished a great deal of good; consequently, as a result of his visits and his candid talks with the leaders of the different countries, we shall benefit. Expanding trade and markets of the world should be forthcoming to this country of ours.

I know that from some quarters criticism was directed against the Prime Minister for being out of the country, while those criticizing knew full well that a capable cabinet was left here to run the affairs of the country in his absence. Therefore, I would like, Mr. Speaker, if I am permitted, to put on the record a quotation from a foreign newspaper, shall I say, but a newspaper from across the border, namely the *Christian Science Monitor,* from the pen of Peter Lyne, parliamentary correspondent. The headline and article reads:

> London Warmed by Diefenbaker
>
> Climax of Mr. Diefenbaker's visit to the United Kingdom came in London on the night of November 4 when an audience of more than 6,000, including British Prime Minister Harold Macmillan, packed the Albert Hall to hear one of the most fervent and inspiring speeches delivered in a long while on the theme of how the British commonwealth has a tremendous role to play in hurling back the communist attempt to destroy the free world.
>
> Mr. Diefenbaker as a personality has aroused great interest here and great hope. Millions of Britons have seen on T.V. this handsome, dynamic figure with the blazing eyes of a revivalist. They have been warmed by fresh evidence of this man's 100 per cent enthusiasm for the commonwealth.
>
> Mr. Diefenbaker scorned the "little faithers". He called on his audience to "banish doubts". He said, "Speaking here in London in this shrine of freedom, I believe that this commonwealth has today a greater appointment with destiny than in all her glorious history".

I quote from the same article:

> When Mr. Macmillan came to speak for Britain he said that from his first meeting with Mr. Diefenbaker he realized that here was a great man.

This in spite of the fact that the opposition tries to belittle him at every opportunity in this house and outside. Mr. Macmillan said: "Great because he has the one vital thing that any great man must have—faith." This, Mr. Speaker, is the opinion expressed in the press of our neighbours across the border.

At the outset I wish also to commend the opposition for its activities throughout the country since the last session. I think Canadians did want to hear what the Tories had done to them. Canadians, of course, were mildly interested to hear that there was a new party still in the incubator and therefore unnamed which, when it hatches, will wipe the Liberals from the political field in

Canada. The prophets of this new party say that the Liberals have had it. Canadians were no less interested to hear the challenge accepted by the Leader of the Opposition who stated that the Liberals have not had it and that there was no room for a third party in Canada. I am inclined to agree with him if we judge the matter by the results of the general election last March when one of the splinter groups was wiped out altogether and the other was badly depleted. But the electors of Springfield apparently considered that they both had had it and we know the results. They elected as their representative a member who supports the government and I take this opportunity of congratulating the hon. member and the constituents of Springfield for their good judgment.

There are many projected pieces of legislation outlined in the speech from the throne. I only intend to touch on a few of them. I am happy that the speech from the throne does not neglect agriculture and that additional legislation is forecast. One does not need to be a farmer or an agricultural expert to realize that we have a farm problem. The Leader of the Opposition admits that we have a farm problem, and I should like to quote from an article in the Winnipeg *Free Press* of October 6, 1958 where under the headline "Pearson Has No Immediate Farm Answer" there is the following:

> Liberal leader Hon. Lester B. Pearson Friday admitted that farmers, caught in a "price-cost squeeze", have a problem but offered no immediate solution. "I recognize that a problem exists. It is clear that agriculture hasn't had a fair share of the income of this country in the last 10 or 15 years."

Who was in power ten or fifteen years ago? I am glad that the Leader of the Opposition recognizes that we have a farm problem, late as this recognition comes. I continue quoting from the same article:

> The former external affairs minister said a special Liberal party committee will formulate a farm policy this winter.

We are looking forward to hearing what this farm policy is. But I am proud of the fact that the government realized that we had a farm problem and realized it from the day it took office in June, 1957. I do not want to be repetitious. I do not want to set out all the emergency legislation that was passed and all that was done by the Minister of Agriculture (Mr. Harkness), the Minister of Trade and Commerce (Mr. Churchill) and other cabinet ministers in their respective departments. But I do want to point out that this party recognized that the problem existed and put price stabilization legislation on the statute books under which the government is permitted to establish forward prices on the basis of production costs and, where necessary, assist the farmers of Canada through deficiency payments in order to bridge the gap between costs and prices. While the procedure is applied to a limited degree, we have reason to believe that the board has now had time to do the necessary research on costs of production and will give further relief to the agricultural economy.

In my personal and humble opinion it is economic nonsense to expect an individual or organization to dispose of his or their product without any regard to the cost of production. If the primary producers of Canada are obliged to do that very thing and in effect subsidize the consumer, surely they have a right to expect some assistance in the process.

We realize also that continued penetration of the world market is contingent upon our remaining competitive. Losing sight of this breeds a dangerous situation for Canada, and it is high time that labour and industry matched the resourcefulness and efficiency of the farmer in cutting costs to the bone. I am not thinking of the farmers of Marquette alone; I am thinking of the farmers of Canada. Let us, their representatives, try to understand them. They have been fooled so often, they have been misled so often, that today they are impatient, suspicious and distrustful.

A farmer may not be a bookkeeper or an accountant, and even if he is he has not the time to do much bookkeeping, but the farmer realizes that in 1958 it took as much land, as much seed and as much labour to grow 1,000 bushels of wheat as it took in 1948, ten years ago. He also realizes that it cost him more in 1958 to grow 1,000 bushels of wheat than it cost him in 1948, ten years ago, because of the higher cost of labour, the higher price of machinery and the higher cost of repairs.

But he realizes also that his 1,000 bushels of wheat do not buy the same quantity of processed or manufactured goods in 1958 as they did in 1948, ten years ago. Whether these products are from the mines, forests or waters or even if they are products he produces and then repurchases after they are processed, he has to pay a higher price for them. Let us, the farmers' representatives, try to understand them. Let us realize and admit that the prices received by the farmer for wheat during the last ten years have fallen 20 per cent, that the prices of the commodities he has to buy have risen 50 per cent, as some say, or

possibly less. That is a moot point. But the point is that we have a farm problem. I am happy that we took emergency steps to alleviate the situation.

I am happy also to note that in the speech from the throne there are indications that other steps will be taken to improve the plight of the primary producers. They trusted us. They sent us here to represent them. I am happy to note that the farmers, and particularly the western farmers, are not going to go into politics. I wish to point out that at its convention last December the Manitoba farm union decided against joining this new party which is still in the making. They almost unanimously refused to tie themselves up with the socialists. I think that this is a commendable step. According to press reports many farmers in Manitoba are surrendering their memberships in the C.C.F. party.

The farmer does have his problems, but he does not leave the farm. As I said, the farmer is desperate and, like a drowning man, he will clutch at a razor in order to try to save himself.

I have said before that labour and industry should try to match the resourcefulness and efficiency of the farmer. Let them cut their costs to the bone, and I am sure we can get rid of these spectres which are causing us so much concern, namely unemployment and inflation, and which have been with us for so long. I see the hon. member for Essex East (Mr. Martin) smiling.

Western agriculture and business, of course, will be pleased to note that the government will take some action to alleviate the discriminatory effects of the recent horizontal freight rate increase. This matter has caused the farmer a lot of concern. While the cumulative effect of the recent increases granted to railway workers and the resultant general freight rate increases are still not known, I might just cite one example of the effect of these things. A piece of machinery, if delivered from an eastern factory in Ontario to Manitoba will take a freight rate of $2.69 now as compared with $2.30, and that is a full 17 per cent increase. I am very happy to note that the government is going to try to remedy the situation.

I am sure that Canadians will welcome the statement in the speech from the throne that Canada will strive toward a settlement of outstanding issues that threaten peace. Who does not want peace? We all want peace. I am sure Canadians will welcome the statement that the government is concerned over the soviet attempt to abrogate or change the interallied agreement relating to Berlin. I am sure Canadians will welcome the government's determination to strengthen NATO as a deterrent against further aggression. These are serious problems which face us and they should receive serious consideration, regardless of our party politics.

This reminds me of a statement made by Generalissimo Chiang Kai-shek on Formosa. May I be permitted, Mr. Speaker, to quote what this gentleman said?

> Our role is to be the lighthouse of freedom—

That is our role on Formosa.

> —a beacon of free people giving hope to those who struggle to regain their freedom in whatever country they may be. Our constant effort must be to remain free and ready so as to hold out hope to others who are in chains.

The western world has so few bastions of freedom left that we must cling to Berlin, to Formosa, to South Korea and these other places. The offensive against us is not only on the economic front but on all fronts, including the military front if necessary. Canadians must be concerned over the mounting costs of our defence department. They are concerned also about our inability to buy the most expensive defensive weapons. We must rely on our neighbour to the south to assist us in that respect.

Not more than 20 years ago we in Canada thought we were absolutely safe from any invader. We thought our front line of defence was the Maginot line and the front line of offence was the river Rhine. We thought we were absolutely safe behind our frozen north. We felt so safe we did not even bother to claim sovereignty over many of the islands to the north of Canada. Today, this situation has changed. We are scanning the skies for an invasion which we hope will never come but which may come. With the help of the United States, we have built the D.E.W. line. It was a costly affair, and it is going to be even more costly to set up more proper defences.

Now, against whom are we spending all this money? Why are we making all these sacrifices? Against whom are we preparing to defend ourselves? We might as well name the enemy we expect to attack us. We should know his habits. We should know his psychology. We should know his achievements in the past and his aims today. Let me, Mr. Speaker, take this house back a bit into history. Over 800 years ago in northeastern Europe a Slavic race was born called Muscovites. This race had the misfortune, from its birth to the present time, of never having the opportunity of learning the concepts of democracy, whether it was ruled by the autocratic, orthodox czar or whether it was ruled by the atheistic dictators of the Kremlin like Khrushchev. From the very

first they have applied an expansive and aggressive policy toward their neighbours, and once they conquered their neighbours they introduced a policy of persecution, oppression and political assimilation as well as economic exploitation. Out of the last 200 years the czars or atheistic dictators have devoted 128 years to aggressive wars and only 4½ years to defensive wars.

If I may be permitted, Mr. Speaker, I should like to quote from words written 400 years ago by Dr. Giles Fletcher, the British ambassador to Russia, who wrote:

> They (the subjects of the czars) are kept from travelling that they may learn nothing or see the fashions of the countries abroad.

Today these people behind the iron curtain are also kept from travelling abroad.

I quote again:

> You shall seldom see a Russe a traveller except he bee with some embassadour or that he makes an escape out of his countrie which he can hardly doe by reason of the borders which are watched so narrowly and the punishment for any such attempt which is death if he has been taken and confiscation of all his goods.

Mr. Speaker, this can apply today to the people behind the iron curtain. I know constituents of mine, men whose wives have been left behind the iron curtain. They cannot get their wives or their children to this country. They cannot get permission from the soviet government to bring them in. The situation is that these communist dictators sitting on the czar's throne today ruling over most of Europe and over most of Asia are the ones whose claws or clutches we are afraid of lest they may bend across the north pole and invade us.

Mr. Speaker, it is with understandable emotion that I make reference to this day of January 22. Reference to it can be made only outside the iron curtain but cannot be made in the land of my fathers. Today, January 22, is independence day of the Ukraine. On January 22, 1919, after the fall of the czar's throne, a race of 40 million people after being persecuted, exploited and assimilated for several centuries broke their chains and declared themselves to be free. On January 22, 1919, at the ancient capital of Kiev, in the golden domed cathedral of St. Sophia, through its provisional government these people declared independence. This new republic of the Ukraine was recognized by Great Britain and France at the time. If the Ukraine were free she would be celebrating her forty-first independence day.

Her fate was that of many other peoples who were incorporated into the imperialistic designs of the man or men who succeeded to the throne of the czars. The Ukraine republican army, owing to lack of armaments and medical supplies—whereas the bolshevists inherited all the supplies and armaments they needed from the czar's army—were defeated after a bloody struggle of almost two years; and today you know where the Ukraine is. Only in a free world like Canada can her sons celebrate the event. Only there can survivors of the great days, comrades at arms who fought in that great liberation movement, get together and simply talk about the past.

But, Mr. Speaker, I am not losing sight of the fact that when the throne of the czars fell approximately fifteen other nations arose out of the ruins of the czar's empire. I mention the Baltic states of Estonia and Latvia —and I am speaking of the period right after the first world war—Lithuania and Poland. Poland with its glorious history regained its independence or declared its independence after or toward the end of the first world war. There were also white Ruthenia or Belorussia, Georgia, Armenia, Azerbaijan, Caucasia and others. As soon as the bolshevists had strengthened their hold on Moscow they started an aggressive war against all of the states that I have named.

I would say that only Poland and Lithuania and the Baltic states survived. The Ukraine and the others were all conquered back into the fold of a new dictator but of course not without a bloody struggle in each case. So, Mr. Speaker, Poland and Lithuania and the Baltic states survived. Czechoslovakia and Hungary rose on the ruins of the Austro-Hungarian empire. What have we today?

The dictators at Moscow have two classes of oppressed people. One class is those whom they want the world to call Russian peoples and those are fifteen different nations incorporated into the U.S.S.R. They want the world to know them as Russians. However, they are no more Russian people than we are in Canada. The other group are the satellites.

I am going to make a brief reference to those whom they want the world to call Russian peoples. The Baltic states of Latvia, Estonia, Lithuania, the Ukraine, white Ruthenia or Belorussia, and Caucasia, they want the world to know them as Russian peoples. They are people with a different language, different history, different customs and different background and are altogether different from the race that originated in northeastern Europe around their capital of Moscow. What a fallacy it is, Mr. Speaker, to call Ukrainians Russian people. It is about time the western world exploded that fallacy. I heard Mr. Mikoyan last Sunday on television. I know the Ukrainian language. I could not understand Mr. Mikoyan. Therefore my language and the language of my people and the language of the Russian people are different. We are different races. Our history is different.

The history of the Ukraine is 200 years older than is the history of Moscow. Our history is steeped in democratic tradition. Our princes intermarried with the royal houses of western Europe. The wife of Harold, who was defeated by William the Conqueror—I just do not remember the date—was a Ukrainian princess. At the same time her sister was the wife of the king of France.

Mr. Speaker, how about the Cossack republic of the Ukraine? When a hetman was elected, he could be deposed. It was a race steeped in democracy, a race that developed a different culture. We drew our religion from Constantinople, we drew our culture and our civilization from the west. What a fallacy to class Ukrainians as Russian people! I am mentioning this about the Ukraine because I am most familiar with Ukrainian history. But I have some knowledge of the history of Georgia, Azerbaijan, Lithuania, Estonia and Latvia and same applies to them. Some may say, "What are you complaining about? The Ukraine is a member of the United Nations." That is true, Mr. Speaker, but do you know why? After the revolution of 1917-1918 even the bolshevists could not erase the name of the Ukraine from the map of Europe, something which the czars had succeeded in doing. Soviets wanted to have a few extra votes in the United Nations assembly. Some may say, "Look at the constitution of the U.S.S.R. The Ukraine can secede, can get out of the union at will." Certainly that provision is in the constitution of the U.S.S.R. The Ukraine, as well as other countries—and there are fifteen of them incorporated into the U.S.S.R.—according to the constitution every one of them should be free to secede. Hungary is a satellite with a certain amount of autonomy. She asked for her freedom, and see what happened to her in 1956. All the so-called members of the free Union of Socialist Soviet Republics are free to have diplomatic intercourse with other nations. Have you ever heard of a Ukrainian ambassador to any country in this world? Have we got one in Ottawa? Have you heard of one from Georgia, from Lithuania or from white Ruthenia or Belorussia—that is another name? No. That constitution is just on paper, just to blind the western world.

There is that other group, the satellites. One would think the satellites were a bit more free behind the iron curtain, and to a certain extent they are. These people had held on to their independence from the end of the first world war, to the second world war, but are they free? Hungary asked for freedom and any Canadian's blood still boils at the thought of all these innocent, unarmed men and harmless women and children being crushed by soviet tanks. I am proud that Canada opened its doors and that Canadians opened their hearts to these Hungarian refugees.

What about Poland, that proud nation? Is Poland free? These people have a glorious history. These people were very powerful at one time. How is their church? How is it being persecuted? How free are they to secede and get out of the clutches of the soviet regime? How free is East Germany? Where are the free elections in any one of these satellites?

It is easy enough to ask the west to get out of Berlin. Is there anybody on earth who can ask Comrade Khrushchev to get out of East Germany? Is there anyone on earth powerful enough to ask him to get out of Poland, to get out of Hungary and to get out of the Ukraine? Is there? I throw out this challenge to the world. This is our potential enemy. This is why we are spending millions —to meet the insatiable greed of the dictator who has swallowed up most of Europe, most of Asia and extended his clutches towards the free democracies.

Mr. Speaker, I hope hon. members will forgive me if I was carried away. I warned them that the subject of the freedom of these peoples—a freedom which we can discuss in this free world—has certain emotional effects, more so, probably, since I am descended from a race which is 45 million strong and which is today behind the iron curtain. And the dictator wants to call them Russian people. The same applies to them all. There are 15 of them, as I have said. And the same applies to the satellites.

It is true enough that these people fought among themselves at some time or other in history, but I think they have learned their lesson and are prepared to bury the hatchet. I think they are prepared, when the time comes, to take up the call for freedom and work together. I do not hope for war. I do not want war. I do not want my son who is in the Canadian army right now to be sacrificed. But when the time comes—and God forbid it should come—I hope we are ready, I also hope that those people behind the iron curtain have not lost their will to live, because the dictator is trying to break their will and stamp out every thought of independence or freedom in their hearts or soul. I hope that they still have some of the fire for freedom burning in their hearts because they are our potential allies. If we forget that, we are lost.

Mr. M. W. Martin (Timmins): Mr. Speaker, like the hon. member for Hull (Mr. Caron) I am going to take advantage of the new arrangement making possible instantaneous

translation. Normally I try to say a few words in the French language, but unfortunately I am still not as proficient in French as I am in English and I will therefore take advantage of this new invention and make my remarks in the English language.

I should like to add my congratulations to those which have already been extended to the mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address. I should like also to say a word about the remarks made by a couple of hon. members on the government side, in particular the hon. member for York-Scarborough (Mr. McGee) and the hon. member for Marquette (Mr. Mandziuk), both of whom seemed to be very aware of certain newspaper reports which emanated from the province of Manitoba recently. I remember a newspaper report which emanated from Ottawa during the March campaign in which it was said that the Ontario C.C.F. party has resigned themselves to the fact that they were going to lose the Timmins seat to the Conservatives, and I suggest there is no more credence to be placed on the reports which they are reading now than there was at that time. In fact, I think it would be much more to their advantage if they referred to newspaper reports from the province of New Brunswick, because I see that a member of their party is reported as having said in the Ottawa Journal of January 8 as far back as December that he could no longer remain a supporter of the government and watch his constituents suffering because of the government's unfulfilled employment promises. So I think the government had better watch what is happening within its own ranks.

I was also interested in the announcement, after parliament has only been sitting for about a week, that two of our major problems have already been solved. I am referring again to the hon. member for York-Scarborough who indicated that something to the tune of 300,000 new jobs had been provided in the housing field, and of course, to the hon. member for Marquette who has solved the farm problem.

With regard to the provision of 300,000 jobs in housing, I should like to compliment the government. While I do not believe the hon. member's figure—he said it was a conservative estimate but I would be more inclined to think it was a Progressive Conservative estimate—I do think that this has been the government's most successful venture. This project to create more jobs in housing has, I believe, done more good than any other project on which the government has embarked.

As far as the hon. member for Marquette is concerned and his contention that the farm problem had been solved, on the face of it there is great difficulty in disputing that fact. Certainly the people in the farming riding of Springfield were not interested in sending a farmer down here. They preferred to send a dentist so we can only assume their problems are not too great.

The program of the government which has received the most attention this fall has been the program to relieve unemployment. When we examine it carefully I am afraid we must count it as an extremely severe disappointment. It has been said that as a result of this program 10,000 people would be provided with employment and various other figures have been cited. But certainly 10,000 in the face of present day unemployment is not much of a solution to the problem.

We have heard comments tossed back and forth across this chamber about the Liberal shelf of public works projects and that when the Conservatives got there the cupboard was bare and there was no tool kit and so they could not build one of their own. The limited attempt at introducing public works projects points up clearly one essential fact and it is that public works programs are not an adequate measure of relief for unemployment in this present day. Because of the changes that have transpired in the last 25 years hastily improvised programs of this nature are a most inadequate solution. The time has come when the government of Canada must devise new answers to this old problem. With machines taking the place of manpower in public works projects such as the building of roads, sewer lines and water lines these programs do not relieve unemployment to the extent that was possible a few years ago and I would suggest that the government cast about for new ideas in its efforts to seek relief for unemployment.

I should like to compliment the hon. member for York Centre (Mr. Stinson) and the hon. member for Davenport (Mr. Morton) on the courageous way they brought into this house the comparative study on education standards in Canada and the Soviet union. I agree with the hon. gentlemen that the report reveals facts that should not be concealed. These are things that must be faced and I believe the Canadian people, if jarred to consciousness, will face up to the situation. I compliment the hon. gentlemen because this is a question which has held my interest for many years. Some hon. members may recall that when I made my maiden speech in this house as reported at page 191 of *Hansard* of October 27, 1957, my remarks were similar to those of the hon. members

to whom I have referred although my presentation of the situation was not as well documented as were theirs.

I have grown weary, as I believe many people in Canada have, of the everlasting bombardment across the floor of this house with the Liberals blaming the Conservatives and the Conservatives blaming the Liberals for every situation with which parliament is confronted. This type of behaviour is becoming stale and certainly it is accomplishing nothing in terms of solving present problems. I do not believe that the Canadian people, with the election three or four years away, are interested in hearing disputes concerning who is to blame for the present mess. The time of parliament would be better spent finding solutions to these questions. The government should not hide behind the fact that the opposition is prophesying gloom and doom whenever hon. members of the opposition point out weaknesses in the government's policies.

I wish to turn now to an urgent question that faces us at this time. I refer, of course, to the strike at the Canadian Broadcasting Corporation in Montreal extending over the past five or six weeks. I am convinced that this is more serious than many of us realize. While it produces English programs I am informed that the C.B.C. in Montreal is the largest producer of French language programs not just in Canada but the world. I think that many of us fail to appreciate that in producing these French programs the C.B.C. in Montreal is producing one-half of the Canadian culture in this medium. We have excellent studios in Toronto, Winnipeg, Vancouver and elsewhere but these produce only English programs, one-half of the Canadian culture in this field. After all, this is a bilingual country with a dual culture. Through the work of the C.B.C. Montreal studios Canadian television truly represents our culture in both its aspects.

This strike was not something that transpired overnight; there has been a long, steady process leading up to the present situation. Many of the producers concerned in this strike were in on the ground floor of the C.B.C. and built it up to what it is today, some of them working 16, 18 or 20 hours to make the network what it is. Slowly over the years there has also been built up on their part a sense of insecurity and frustration which is finding expression in this form. It has caused a section of management, in fact, to feel that in order to protect themselves they must organize along trade union lines.

To demonstrate that they are justified in doing so I wish to read an extract from the Quebec regulations, S.R.Q. 1941, chapter 162, article 2 of section 1, which states:

> Twenty persons or more, Canadian citizens, engaged in the same profession, the same employment or in similar trades, or doing correlated work having for object the establishing of a determined product, may make and sign a memorandum setting forth their intention of forming an association or professional syndicate.

That is very clear. It is also clear that the real issue in this dispute is not wages or working conditions or the normal things we generally find in disputes of this nature. The point at issue is very clearly summed up by an article taken from *L'Action Catholique* as reported in the Ottawa *Citizen* of January 21, 1959, in these words:

> The paper insisted that the crux of the problem was whether the right of association should be allowed. The paper also believed that the strike would open the public's eyes to the need for revamping labour legislation which, far from protecting the right of association, restrains it and in many cases even suppresses it.

That, Mr. Speaker, is the crux of the dispute: do they or do they not have the right of association. This strike has been honoured by many other unions involved in the membership of C.B.C. employees. I am informed that as recently as last evening one of these unions which refused to cross a picket line took a secret ballot among its members and 92 per cent still favoured not crossing the picket line and so endangering the keeping of the peace and possibly causing disturbances.

The latest move on the part of management in this case, that of intimidating the wives of these employees by sending telegrams and contacting them by telephone, is a move that is worthy of Mr. J. Y. Murdoch in his infamous strike at Murdochville but certainly is not worthy of this government or any of its crown corporations.

I would like to turn for a moment to some matters in my own riding. Again I would like to compliment the government on the fact that they left open the door this winter for the provinces to come in on a 50-50 basis with the federal government, which they did, on roads opening up new country. I am also very pleased that finally the Ontario provincial government has got around to taking advantage of this offer and at the present time roads are in process of being cut. I am thinking of the road between Foleyet and Chapleau, which will join the Porcupine gold-mining area with Sault Ste. Marie and the United States across the new bridge. This is going to open up a vast new territory which will be a mecca for tourists.

At this time I should like to invite any hon. members, and particularly the hon. members on the government side, to visit my

riding. Do not wait until prior to the next election before you come into my riding. You are welcome at any time. This part of the country is completely dotted with lakes, rivers and forests. It is a fishermen's paradise; it is filled with moose. Moose is one of the greatest exports we have in the north at the present time. This will also open up a loop by which American tourists can come up and visit the mining areas, and I am sure both United States and Canadian tourists will be interested in visiting the fabulous Porcupine gold-mining camp. Either this summer or the summer after will be an excellent time because the communities of South Porcupine and Porcupine will celebrate their fiftieth anniversary of the founding of the town during the summer and next year it will be followed by the town of Timmins itself.

Unfortunately, Mr. Speaker, there is one blot on the present optimistic outlook for the Porcupine area and it is one that this house should not only be interested in but, in fact, has a responsibility for. I, of course, am referring to the stand of the gold mines at the present time in the labour dispute which has been going on up in that area for two years. You may recall, Mr. Speaker, and probably hon. members will recall, the efforts of the hon. member for Timiskaming (Mr. Peters) and myself last year during the passage of the bill to amend the Emergency Gold Mining Assistance Act. We tried in every way possible to convince the government that it should keep a few strings attached to the increase in the gold subsidy. I think the evidence I can give the house today will prove that perhaps the government should have listened a little longer to us at that time. Oh, I recall, Mr. Speaker, that the Minister of Mines and Technical Surveys (Mr. Comtois) quoted a letter as a final squelch last year to show that the government had in fact solved the problem up there. This letter is contained in *Hansard* of August 18, at page 3742. It includes the following resolution:

> Proposed by H. Brunette
> Seconded by W. Brewer
> "That a letter of thanks and appreciation be sent to the Honourable Donald M. Fleming, Minister of Finance, and that this commission go on record on behalf of all gold mining communities of Canada in supporting the announcement of a 25 per cent increase in the Emergency Gold Mining Assistance Act, and that this commission is vitally interested in the longevity and continued extension of the said act on a longer term basis, so that gold mining communities may have a better opportunity for long-range planning."
> Again, Honourable sir, we thank you and your colleagues, the federal government, for your kind interest in alleviating in some way the problem facing the citizens of gold mining communities.

One thing the minister forgot to mention that day, Mr. Speaker, was that the mover of this motion was the brother of the defeated Conservative candidate and the seconder, Mr. W. Brewer, was the secretary of the Timmins Conservative association. Therefore, I do not know what sort of a letter they expected from those two gentlemen, but certainly they could not expect to get a very critical one.

The last time the gold miners in the Timmins area received an increase was away back in 1954, just at the completion of a strike of about eight months. Since that time the federal government has paid over $10 million in subsidies to the nine gold mines covered by the bargaining unit in Timmins; in fact, almost $5,750,000 to the two mines of Hollinger and McIntyre alone. As I said, that is since the last increase was given to the miners. As hon. members will recall, during the last session the Emergency Gold Mining Assistance Act was extended for another two years and a 25 per cent increase was also given, retroactive to the first of 1958. In all fairness to the members of the government I am sure that most of them thought, as most of the municipal officials and in fact the people of the Porcupine camp thought, that in making this move to assist the gold mining industry some of it would automatically brush off on the miners. Unfortunately, that has not happened. Despite this increase, despite this extension, not one cent has been offered to the miners in those nine mines covered by union agreements. At the Hollinger mine, for example, negotiations have been going on since September, 1957. Last year, following through the normal procedure of bargaining in this province, the miners took their case to a conciliation board and that board sat in Timmins in the month of June. As a matter of fact, Mr. Speaker, they were sitting on the very day that the proposed increase was announced in this house.

This board did not make any snap decision. It weighed every factor very carefully; in fact, it sat on its report for a matter of three months. The report was not delivered until September of last year. I would like to list a few of the things recommended by the majority report of the conciliation board which was signed by the chairman and the union nominee:

> 1. Two-year agreement;
> 2. Forty-two hour work week in the first year of the agreement and a 40-hour week incorporated in the second year of the agreement.

They are still working a 44-hour week in that area. I continue with the recommendations:

> 3. Five cents per hour increase in pay and that this payment should be made retroactive.

This was to be at a time negotiated between the two parties. I continue:

And adjustments to be made upon the reduction of the work week, to guarantee no loss in pay.

4. Four cents an hour shift differential for afternoon shift and six cents for night shift.

5. A recommendation of six statutory holidays. With the recommendation that the holiday pay be the equivalent of 20 hours for eight hours work on such days.

6. That there shall be an extra week vacation for a total of three for all employees with a total of 15 years or more seniority.

7. The board recommended that a pension plan should be negotiated and to become effective on the second year of the two-year agreement.

Of course, they have no pension plan. I continue:

8. The board recommends that the contribution to a medical plan would be on the 50-50 basis.

9. The board recommends a check-off of union dues.

As you can very well imagine, they have no union security there. This was the recommendation of the conciliation board and it amounts to a package deal of well over 20 cents an hour. In that report the chairman had this to say:

In the opinion of many, the only real value from a report from a board of conciliation is to consider a likely, or at least possible, realm of settlement and to point out a position to which each party might come. With this in mind the only matters which have been considered in preparing this report are the ability of the company to pay and the adjustments which might be accepted by each party in an effort to decrease the discrepancies in monetary matters and working conditions which exist between these employees and those in industry in general in Ontario.

With reference to emergency gold mining assistance, when the act was originally passed it was supposed to be for the miners of the mining municipalities. That was the announced intention of the legislation. When the act was passed it was not supposed to be just for the gold mines. It has been stated on different occasions that its purpose is to assist gold mining municipalities. This is what the chairman of the board had to say:

This improvement was stated to be to promote the well-being of our northern gold mining communities. One can hardly comprehend the view of the commitment which does not also assist the employees living in the community, but only to the corporate entity which is geographically located.

The mines have just been granted a 25 per cent increase by the federal government and yet they refuse even to recognize the report of the board. They have refused even to discuss it or negotiate on the basis of it. So the union, in an effort to try to get things settled without having to go on strike again, voluntarily moved away from the report. The representatives of the union said, "All right, if you will not talk about that, what will you talk about?" A meeting was then held with the chief conciliation officer for Ontario but so far nothing has developed from the point of view of a settlement.

But here is something that has developed over these months which I think is of vital importance, particularly in view of the letter I mentioned a while ago which was put on *Hansard* last year by the minister. I have here a resolution passed by the Timmins town council on January 5, 1959. It was moved by McDonald and Burnette and, incidentally, Mr. Burnette is the defeated Conservative candidate. The resolution reads as follows:

That Timmins council go on record as supporting collective bargaining and suggest that management recognize collective bargaining and sit with the representatives of their employees and settle these disputes at the earliest possible date so that the uneasiness that prevails in this area at this moment be done away with.

Along the same lines, the union also had a meeting with the local member of the provincial legislature, who is minister of lands and forests in the Ontario government. From a report of the meeting in the Timmins *Press* of January 17, 1959, I read the following:

Lands and forests minister J. W. Spooner told a 16-man delegation of the united steelworkers of America last night he would meet with labour minister Daley and Louis Fine, chief conciliation officer, Monday, to urge them to request top management of McIntyre Porcupine Mines to negotiate with the union. Mr. Spooner referred to existing relations between the union and McIntyre. He said conditions "are not good for the workers involved or for the community". "There should be a willingness", he said, "on the part of parties involved to meet and negotiate. There should be no war of nerves."

Referring to collective bargaining, Mr. Spooner stated it is the law of the land—that should not be a question but should be understood by everyone.

That is the situation, Mr. Speaker. As I mentioned earlier, the miners have not received one cent of this increase that is supposed to benefit the gold mining communities. These nine mines have received over $10 million in such assistance. I say that it is the responsibility of members of the cabinet and all members of the house to use any influence they have in any way they can to see that the money which has been voted for this purpose winds up being used for the purpose for which it was intended in the first place.

Mr. A. R. Webster (St. Antoine-Westmount): Mr. Speaker, like others who have spoken before and, I am sure, like others who will follow me, I want to welcome as warmly as I can the new members who took their seats for the first time last Thursday. At least one of the new members has made a great contribution already in making the members of the house as a group easier to look at. I am

sure that in the months and years ahead all the new members will play a full role in the business of governing our country.

To one of them, the hon. member for Montmagny-L'Islet (Mr. Fortin), has already gone the honour of seconding the address in reply to the speech from the throne. As an English speaking member from the province of Quebec, I can only agree as strongly as possible with the sentiments regarding national unity so well expressed by him. In past years much lip service has been paid to national unity, and I think most of us will agree that since the war great improvements have taken place. I am proud to be a supporter of a government which is carrying this tradition forward in practical terms that will have everlasting benefits to the Canadian nation.

I must also congratulate the hon. member for Provencher (Mr. Jorgenson) for his able and articulate speech in moving the address in reply to the speech from the throne.

January, as we all know, is the month both for looking forward and looking backward. Before discussing current affairs I think it only fair to congratulate the government and the house for the legislation processed during the last session. This legislation has been criticized in the past and is being criticized again during this debate. But I would remind my friends to my right and to your left, Mr. Speaker, that the people have already passed judgment on the work of the government and parliament. There have been four by-elections, and candidates who based their appeal on the policies of the Progressive Conservative party and the record of the government in its short period of office won three of the four elections. That is answer enough for the criticism but it is no reason for complacency on the part of the government or any member of the House of Commons.

The speech from the throne is evidence enough, I believe, that the government is not complacent. To my mind it is a workmanlike document. There is a lot of work ahead of us. But what impressed me most about the speech from the throne was the tone of confidence. The country and the government face many problems, many difficult decisions. But surely if the government was not confident how could it expect the people of the country to think, to work and act confidently?

Before I deal with other items, I know the people of St. Antoine-Westmount, whom I have the honour of representing in the house, would want me to express their pleasure in anticipating the visit of Queen Elizabeth and Prince Philip to this country for six weeks. We were pleased to note that Her Majesty is going to be seen in areas in which no monarch has been seen before. The visit to the Yukon and Northwest Territories should be a great inspiration to the people on the Canadian frontier.

But, of course, we in Montreal were greatly gratified, despite some malicious rumours, to find that Her Majesty and Prince Philip will spend two days in our city. They will arrive and leave aboard the royal yacht *Britannia*, which serves to underline the great purpose of this visit and that is to open the St. Lawrence seaway. I was interested, as I am sure many Canadians were, in the suggestion of the hon. member for Laurier (Mr. Chevrier) on Tuesday that, if necessary, there should be two official ceremonies opening the seaway. I quite agree. I recognize the necessity of co-operating with the United States in some kind of international ceremony, no doubt along the international border. However, the seaway does begin at Montreal; much of the work was done along the south shore, and the seaway was developed by Canadian initiative. I think that this initiative, and our national pride, make it imperative that Her Majesty preside at some all-Canadian ceremony in the Montreal area.

I am glad to see that such wide use is being made of the *Britannia* in this tour. The progress of this beautiful yacht through to Chicago and the head of the lakes will dramatize to the world that Canada has a new coastline. It will also give to many of the lakeside communities a unique opportunity to be host to the Queen and her consort prince.

The seaway has always been important to Montreal, even when that particular stretch of water was only passable by canoe bringing furs to trade. Ever since Canada decided to go ahead with the construction of a 27-foot deep waterway there has been a great debate raging in Montreal. Fears have been expressed that much of the traffic which has been the backbone of Montreal's development and prosperity would pass the city by. But these, in my opinion, are short-sighted fears. The seaway will be a great spur to the development of the entire Canadian economy, and in a stronger and growing economy Montreal will have no place to go but up.

We, in Montreal, are pleased to see that the Minister of Transport (Mr. Hees) does not share the views of the pessimists. Montreal harbour is getting new piers, new grain elevators, new storage sheds and the deeper berths and turning basins required to share fully in the benefits of the seaway. As a result of the Queen's visit and the opening

of the seaway this is going to be a great year for Montreal and for Canada.

Mr. Speaker, we have already heard a great deal in this debate about the state of the Canadian economy. We have heard the government damned for not doing more about unemployment and damned, in almost the same breath, for not curbing inflationary tendencies. The opposition seems to want its cake and eat it too. When this government took office unemployment was already mounting and foreign trade was dropping off. Our trade deficit was higher than it had ever been before.

This government took the necessary steps, and today we see the results. The recession is ending with far less impact on the Canadian economy than it has had on other economies, peoples and their standards of living. Recovery has reached the point where many responsible authorities are talking about the threat of inflation. This talk is positive proof of the end of the recession. Winter unemployment, while still serious and worrisome, is showing a much slower rate of increase than it did last year. Our overseas trade is picking up.

In this connection I think we should note the benefits already flowing from the Montreal conference on trade and economic affairs. Trade barriers between Canada and the United Kingdom have been reduced and similar improvement can be expected in so far as other members of the commonwealth are concerned. This government gave notice then, and has repeated it in the speech from the throne, that it intends, on Canada's behalf, to continue shouldering the responsibility for increased economic assistance to the underdeveloped nations. The long term benefits of such a program are impossible to assess. We are meeting the communist threat of expansion on its own terms, and we are building the ability of other countries to become, in the years ahead, important customers of Canadian products.

If we should continue to trade only with countries enjoying roughly the same standards of living, then there could be no hope for less fortunate countries to improve themselves to the point where they may become important markets for our surplus products. We cannot remind ourselves too often, when we think of international trade, that we cannot get rich taking in each other's washing.

There is one other paragraph in the speech from the throne to which I should like to refer. It states, and I quote:

> Discussions are taking place with the government of the United States to enable Canadian industry to share in the production of equipment being procured by the United States for joint defence purposes.

I noted with interest that the delegation from this house and the other place which was in Washington recently discussed this subject with members of the United States congress. There were some suggestions at that time, again I think by the hon. member for Laurier, for a revival of the Hyde Park wartime agreement. Under this agreement, negotiated as you will remember between the then prime minister, the Right Hon. Mackenzie King, and the then president, Franklin D. Roosevelt, the United States placed defence orders worth close to $1,500 million during the second world war. Some of us seem to have forgotten that the principles set out in the Hyde Park agreement were carried into the post-war period of reconstruction and conversion of industry to peacetime tasks. This was accomplished through an exchange of notes between Canada and the United States in 1945.

I want to underline that this did not supersede the Hyde Park agreement, but only carried the same principles forward. Then, five years later, in 1950, Canada and the United States agreed on a statement which has become known as the principles for economic co-operation. One of these principles is, in effect, that the United States and Canada should co-ordinate their requirements, their production and their procurement, to get the best production for common defence. These principles are still in effect, Mr. Speaker. There seems to me to be no need for any new statement of principles, the negotiation of which would only take much valuable time. I commend to the government a policy of underlining to the United States, in the most forceful terms possible, this 1950 statement of principles for economic co-operation.

There have been suggestions already that the actions of this government in demanding consideration for Canadian industry are having an effect in Washington. A story last week in the *Financial Post* set out that the Pentagon in Washington has asked its suppliers to let Canadian firms tender on the same basis as United States companies.

In Montreal we are hopeful, of course, that the United States will make a decision to buy the CL-44 aircraft developed by Canadair. The feeling is that this four-engined long range aircraft, a leader in its type, would be ideal for use as a picket radar plane carrying the radar warning system far out over the Atlantic flank of the North American defences.

There is one other item in the defence field which I feel should be underlined. I was happy to hear the Prime Minister (Mr.

Diefenbaker) refer on Monday night to lobbies. Too often I think Canadians, and particularly members of parliament, have been too sanctimonious. We like to think that there are not any lobbies in this country, that we are free of the odious reputation that has been attached to lobbies and their pressures on government in Washington. We all know this simply is not so. I think it is time this was made quite clear. Every one of us knows he is subjected to hard and repeated lobbying on every conceivable subject that comes before us and some that do not. We hear the excuse from the United States that powerful lobbies there would not stand for it if the Pentagon decided to order a Canadian fighter aircraft; that they influence decisions against Canadian lead and zinc producers and against Canada's gas and oil industry.

By admitting that we, too, have lobbies and pressures upon us here in Ottawa, I believe our bargaining hand with the United States will be strengthened. It is time that people both inside this country and outside it knew that there are in Canada pressure groups which must be reckoned with.

There are other topics in the throne speech with which I might deal, Mr. Speaker, but I should like to conclude with just one more thought. As members of parliament and as legislators we should find it interesting and valuable to check this speech from the throne against those of thirty years ago. Then this parliament seemed largely concerned with developing the physical assets of the country. Today we have before us a large body of legislation relating to improvements in the social welfare of our people. We are concerned too, of course, with the economic necessity of developing our natural resources to provide the strong economic base for these social welfare programs.

Canada is fortunate in its relative youth. As a result we have not had the same opportunities to waste our natural resources. Today we must be careful to see that these resources are developed, not primarily for the benefit of the few but for all the people and that they make a contribution to this country on which a better standard of living for everyone can be based.

With good planning, intelligent execution and the resources we have, Canada can remain and develop as one of the world's most prosperous nations. My hope for this session is that the work we accomplish here—the criticism heard and the defence made; the legislation discussed and passed—will contribute substantially and significantly to the achievement of this goal.

[Mr. Webster.]

(Translation):

Mr. Adrien Meunier (Papineau): Mr. Speaker, rising today in this house, I join with the members who spoke before me in congratulating the mover and the seconder of the address in reply to the speech from the throne (Mr. Jorgenson and Mr. Fortin). Both, by the lofty tone of their speeches, and the ideas embodied in them, have given evidence of their ability.

The debate on the address in reply to the speech from the throne gives members of this house an opportunity to make known to the government the needs of their constituency and the living conditions of the people they represent. It is for Canadians an invaluable opportunity which allows them to give an accounting of their needs and thus to contribute to the stability and security of Canada.

We live in a troubled world where peace is constantly threatened, and the most vital need of a nation is after all, to feel that within itself and in neighbouring countries there reign the peace and the security to which they are entitled. The previous government, like this government, has indeed made it its concern to give this nation peace and security and, jointly with other nations, to ensure world peace. I hope this government will continue to pursue this policy and that its efforts will soon be rewarded.

As I said a while ago, people need and crave peace. But international peace is not enough; one must feel within himself security and inner peace. The people of Canada want full employment. They want to earn a decent living for themselves and their families.

At this time, the country faces two very serious problems, unemployment and inflation. When the Leader of the Opposition (Mr. Pearson) was making his speech, some ministers of this government asked him which of the two problems he considered the more serious. I must draw the attention of hon. gentlemen to the fact that it is not up to the Leader of the Opposition to dictate the government's policy because the government has been elected to administer the country's business, and to choose the necessary ways and means to remedy the prevailing uneasiness. We have known times when, under Liberal rule, there was some uneasiness affecting this country, and the government of the day took action to correct the situation.

We should keep in mind those four years, years of reconversion, when jobs had to be

provided for returning men. The Liberal government at that time administered the country's economy so that each could return to civilian life and easily find a job.

To ease unemployment, the government has suggested winter projects for which it undertakes to pay the municipalities half the wages required for such projects as sidewalks, streets, waterworks, sewers and municipal parks. Now are these projects practicable for all municipalities in Canada and, moreover, do those municipalities have the necessary funds to carry out this work?

Representing a riding of the city of Montreal, I do not hesitate to say that none of the projects listed by the Minister of Labour (Mr. Starr), in the brief he addressed to us on November 20 last, can be carried out.

The city of Montreal is now facing a problem of snow removal which absorbs all its energy and affects its budget. It is impossible to build sidewalks when there is a foot of snow on the ground. It is also impossible to lay sewers when the streets are bordered by seven foot snow banks and more snow is falling every day. It is impossible to clear park areas that have been filled with snow removed from the streets. Also, most of Quebec municipalities lack the means to undertake such work in winter because labour would be more expensive than in summer and the share put at their disposal by the federal government would be absorbed by the extra cost of labour.

The government is perfectly aware of the financial position of municipalities, and of their ability to pay, for it summoned them to a conference, here in Ottawa, last fall, to assess their needs; and nearly all of them told the government how hard-pressed they were for funds. This winter works program is but a second-rate stop-gap for those who suffer, and will in no way relieve the present situation.

It is inconceivable that, in a country as rich as ours, there should still be people who have to beg for their daily bread and live in miserable conditions. In view of this alarming situation, His Eminence Cardinal Leger, Archbishop of Montreal, had really every reason to suggest the setting up of public works programs in order to alleviate the misery of those who are suffering, and to appeal to the charity of all citizens of Montreal to raise the funds required for the implementation of such projects.

This winter works program came too late for municipalities which wanted to take advantage of it to get ready for it. It was announced at the end of October by the Prime Minister, and the municipalities got the government offer in writing only about two weeks later.

In the house, last July, when the estimates of the Minister of Labour were being voted, we pressed him with questions about his plans for the relief of unemployment during the coming winter. The hon. minister announced nothing. If he had then and there announced his program, the municipalities could have got ready and the jobs provided would have relieved the hardship now being suffered by my fellow citizens in the province of Quebec, especially in Montreal, where there are 80,000 unemployed.

The government also faces another paradoxical situation: inflation. While, on the one hand, unemployment is rife, prices are soaring and no one can tell where this dizzy rise will stop.

The government lacks a planned economy and a flexible policy to face the situation. In his annual report, the president of the Royal Bank of Canada refers to that inflation crisis in the following terms:

> Last year, as in previous recession periods, when the economy was on the decline, I recommended tax and price cuts; now, instead of tax cuts which might have spurred business and lowered prices there has been an increase in government expenditures expenses.

In fact, it is to be wondered whether these government expenditures have not contributed to inflation.

Last year, during the 1957 session, the government had hundreds of millions of dollars voted for home building, believing that such expenditures would relieve unemployment and improve the standard of living of the people of Canada.

There is no doubt that this industry has achieved part of its objective, but it is none the less true that the price of land, and of materials, has increased to such an extent that the selling price of a house has become a problem for the builder. Besides, Mr. Speaker, new housing has become so expensive for the builder that he has to rent it, and cannot find a buyer because he is asking too big a price for it. Yet he has to rent it at that price if he wants to break even.

In his report on the matter the deputy minister of Public works says that the building industry has increased its production in a spectacular way. On the other hand, Mr. W. N. Shortill, chairman of the Toronto Real Estate Board, also expressed his opinion on the matter, which may be found in the *Gazette* of January 15 last, when he stated that it is getting harder to sell a house. Mr. Shortill claims that there will be competition in the

sale of houses, because the supply is greater than the demand. He claims that there is bound to be a price war in the sale of houses, if building construction is carried on on the same basis in 1959 as it was in 1958.

All those government expenditures have caused inflation and, in my opinion, the government would have been better off in building a limited number of houses each year instead of creating surplus which we now have. In Montreal, many builders have stopped operating because they can't sell the houses they built last summer. I hope the Minister of Finance (Mr. Fleming) will follow up the statement he made recently, to the effect that he would fight inflation by cutting down on government expenditures.

This government does not seem to be alarmed at budget deficits. Thus Monday night, I heard the Prime Minister (Mr. Diefenbaker) mention that from 1935 to 1957, while the Liberal party was in power, there had been 14 deficits. However, there are justifiable deficits, and others that give cause for alarm. Those mentioned by the Prime Minister under the Liberal administration included years of depression and years of war. At the moment, the country is in the throes of inflation, yet the government records the greatest deficit in Canada's history.

Mr. Speaker, I will only say that the speech from the throne mentions nothing that could give hope to Canadians that the present situation will be corrected.

The Prime Minister recently made a trip, but he has not said yet whether, as a result of the meetings he had during this trip, other markets will be opened to Canadian products. Canada needs an expansion policy, the opening of new markets to sell its products.

Like other members who spoke before me, Mr. Speaker, I heard and read with interest the speech from the member for Montmagny-L'Islet (Mr. Fortin). If Quebec is a province like any other, it must play its part in the confederation and co-operate to the greatness of the country.

Since the seconder of the address in reply to the speech from the throne is in a co-operative mood I am sure that he will make use of his resources to settle the thorny issues that have come up between the province of Quebec and the federal government for some 15 years.

These are matters of vital importance and they cannot be neglected indefinitely. The matter of grants to universities is an urgent one. If we want those institutions to achieve the goal for which they were founded, the matter must be settled soon. We all know that education is a provincial matter, but it seems that a grant or aid given unconditionally for the cultural development of a nation does not infringe upon its rights and prerogatives.

The province of Quebec is also interested in the problems of health insurance. If the former federal government initiated this social measure, and if the present government has implemented it, it is because it was a good measure and because the people of Canada wanted it.

Several provinces have joined in, but the province of Quebec has not yet said what it proposes to do in this regard. The people of Quebec, like those of all other provinces, pay heavily for hospital services and provincial participation in this plan would relieve Quebec taxpayers.

The speech from the throne also tells us that further funds will be required for the completion of the trans-Canada highway. This is another question which has been eliciting a negative answer from the province of Quebec for almost 10 years. Is that highway, started by the Liberal government, and which this government is still building, of any use to this country? It is unmistakeably useful in wartime as well as in peace time, and if those amounts of money were used in the province of Quebec, they would alleviate hardship and could provide work for many jobless.

For all those nationwide projects, the Quebec taxpayer has been paying taxes and it is only fair that they should bring dividends to him in improvements which will ensure his security and welfare.

I grant that the opponents of such projects use arguments of questionable validity, but if everybody sticks to his guns and never tries to reach an agreement or an honourable compromise, the population in a province will be indefinitely deprived of invaluable advantages.

If the intention is to play politics with those issues forever, to make a political football out of them and to appeal consistently to emotion, the Quebec taxpayer will in the long run be the loser and feel cheated of his rights.

Again I submit, Mr. Speaker, that none of those matters will be settled by a negative approach, and that among people of good will you can reach an agreement without disregarding fundamental principles.

Another point I should like to mention in my remarks, Mr. Speaker, has to do with the Canadian contribution to the Colombo plan.

Of course we must help underdeveloped countries to build up their economy and, later on, when their expansion is in full swing they will be able to become customers on the international market where we can dispose of our products.

This year, Canada undertook to provide $50 million under this plan. Can we really afford this expenditure, or is Canada making commitments out of all proportions to its finances?

I know that under the Liberal government, when contributions were of the order of 8, 10 and 12 million dollars, Quebec Conservatives criticized these gifts, and labelled them extravagant. I wonder what their attitude is today. Perhaps, in the light of the facts shown to them their opinion has changed, but it would be interesting to know their stand on this matter.

There is also, Mr. Speaker, another matter that I would like to take up with the house, particularly with the Minister of National Revenue (Mr. Nowlan), and I refer to the C.B.C. producers' strike in Montreal. We know that the C.B.C. enjoys independent status but is answerable to the Minister of National Revenue. The strike has gone on since December 29, and it appears that neither party is ready to reach agreement with the other. We know that the producers want to have their right of association recognized and that the C.B.C. refuses, on the grounds that they are part of management. We cannot know who is right, because of the little information we have on the matter, but it seems that the minister could at least step in and try to settle the dispute which is crippling the network and depriving part of Quebec people of favourite TV programs.

Several previous speakers have said that the government has no coordinated and definite policy. This is causing concern to the public and besides, it seems that certain cabinet members are making irresponsible statements and spreading confusion on many matters.

Canada has made much headway these last 25 years in the field of national unity, and no one has worked harder and more sincerely to this end than the former Liberal prime minister, the Right Hon. Louis S. St. Laurent.

Now, it happened that, quite recently, two government ministers have made the statement that our national anthem is *God Save the Queen*. They know perfectly well, however, that Canada has no law nor statute to confirm this. I very much admire our gracious Queen and I like to sing her anthem when it is proper to do so, but it seems to me that when a fact is not clearly established, one must be careful not to wound feelings or create confusion in order to belittle another anthem highly considered throughout Canada and even abroad.

I say abroad because I remember the statement made by the Right Hon. Louis St. Laurent, here in this house, on March 18, 1954, which appears in *Hansard* of that date, when he gave a report of his world tour. He said this:

> I want to assure hon. members that everywhere I went as a representative of Canada I was received with enthusiasm and every evidence of friendliness and good will. Everywhere I went I heard "O Canada" sung, and I was always moved and touched at the feeling of pride it gave one to be there as a representative of that country for which the hymn was being sung or played.

Consequently, Mr. Speaker, I wonder what right the ministers of the crown have to proclaim one national hymn instead of another, when this one hymn is recognized abroad.

I would now like, Mr. Speaker, to deal briefly with the comments made by the Minister of Defence Production (Mr. O'Hurley) which the hon. member for Hull (Mr. Caron) has mentioned during his remarks. I may say to the hon. minister that the Civil Service Commission is composed of honest and competent people, and that it is playing an important part in our administration. This commission has been founded so as to prevent the civil service from becoming chaotic and a political football, and so that government employees should enjoy security in their jobs as much as it is possible. During its 22 years in power, the Liberal government created a very competent Civil Service Commission which is admired in other countries. I consider that the commission which administers this institution should not become subject to politics and become the creature or the screen of a single party.

Mr. Rodrigue Bourdages (Laval): Mr. Speaker, during the last session, I did not have the pleasure to rise in the debate on the address in reply to the speech from the throne. I preferred to listen, to learn parliamentary procedure so that I could better discuss things this session.

Mr. Denis: Including Liberal M.P.'s.

Mr. Bourdages: Today I want first of all to speak about this beautiful county of Montreal-Laval which I have the honour to represent. I have, Mr. Speaker, the pleasure and honour to represent one of the most beautiful counties of the land, whatever my hon. fellow members may say, which is also one of the most densely populated areas of the country, with a population of almost 250,000, comprising about 80,000 voters. The county of Montreal-Laval is situated north of the city of Montreal. It also comprises Jesus island, bound on the north by the Thousand Islands river and on the south by the Prairie river. Jesus island, Mr. Speaker, which is about 20 miles long and about 10 miles wide, is composed of 17 islands and municipalities, and also includes 22 school boards.

I need not mention that every day I receive many requests particularly from the municipal councils of those cities and municipalities. Now, Mr. Speaker, I would like to talk about the postal system in our county of Laval and, more particularly, the postal system we have on Jesus island. As I said, Jesus island comprises 17 towns and municipalities which have to administer a population of more than 100,000 people. There are also several towns and municipalities that are grouped together for postal delivery. There are 7 towns: St. François, St. Elzear, Ste. Rose, Fabreville, Laval West, Ste. Dorothee, and Laval Islands. We have for instance towns like Laval des Rapides which, in 1951, had a population of about 3,000 and now has more than 15,000, but has not yet its own post office.

I hope, Mr. Speaker, that the Post Office Department will give serious consideration to the matter, so as to improve the postal system in the constituency of Laval. There are also in my beautiful constituency of Laval a good number of farmers; each year they have to face the same problems in connection with their agricultural products. Should it be possible to establish a seasonal tariff on farm products and even put an embargo on imported products, I am sure that would be of great help to the farmers, not only of the constituency of Laval, but of the whole of Canada.

There are also, Mr. Speaker, many railway crossings in my constituency. Each year, many accidents, often fatal, occur. Why? Because there are no fences nor traffic lights. The hon. Minister of Transport (Mr. Hees) will assuredly want to give very special attention to the need of my constituency, and, in that connection, I am sure he will see to it that it gets the share to which it is entitled. I should now like to deal with a matter in which I am specially interested. I refer to the deepening of the channel in the Prairie and Thousand Islands rivers to facilitate the use of pleasure craft.

An hon. Member: Hear, hear!

Mr. Bourdages: These two rivers cross the constituency of Laval from end to end. If you go round Jesus island by boat, you will travel a distance of about 50 miles, and you will also note from 3,000 to 3,500 motorboats of all kinds. I believe that development of these two rivers for the benefit of pleasure boats only, has become absolutely necessary, and that, for several reasons. First of all, according to the *Financial Post* in 1957 the sale of pleasure boats in Canada alone increased by $30 million over the previous year. Think of the ever increasing number of pleasure boats, of the fact that these cruiser type boats are now within reach of anyone's purse, that the number of persons making a living out of the pleasure boating industry, and of the increased value it would mean for land adjacent to navigable rivers. Consider too that the navigable waterways of some lakes and rivers are the sole means of communication, and that over 90 per cent of riparian proprietors own some sort of boat. Do not forget the commercial expansion that navigation means for riparian proprietors, municipalities and cities; think of the tremendous development of aquatic sports, of their popularity, of the power and speed of outboard motors and yachts, and consider also, more especially, that our navigable waterways offer panoramic and tourist attractions unexplored until now, not to mention that, in case of emergency, navigable rivers are the only means of transportation. Let us consider too the expansion of industry, the success of enterprises and professions connected with it, such as insurance, sale of oil and gasoline, sale of boat, life saving and fire prevention equipment, of marine paints and varnishes, as well as boat and motor maintenance and repair services. Moreover, Mr. Speaker, in deepening these rivers it would make it possible to clean up their waters and would permit the development of beautiful beaches. Action on this highly important matter would benefit the entire population of the Laval constituency, which I am intent on helping.

Please be assured, Mr. Speaker, that the people place high hopes in the new administration to study and solve the many problems of my constituency.

Now, Mr. Speaker, may I say just a few words on unemployment.

Of course, some unemployment exists. It always has existed and always will.

In the constituency of Laval perhaps I am rather privileged, as this is a residential constituency and the majority of the people there are home owners so far and have not suffered too much from unemployment. However, I think it is important to prepare a broad plan providing for the construction of industrial and commercial buildings, and giving due consideration to available manpower in each section of the country. Under this plan, an attempt would be made to obtain advance information on the rate of construction in each area, and to ensure that at least 90 per cent of skilled workers were kept employed. An effort would be made to have new construction projects undertaken in all areas where a slowdown occurred.

I realize that the implementation of this plan would probably entail a great deal of work, but perhaps there might be created a new department, which might be called the Department of Town Planning, Construction and Housing, which would take in the Central Mortgage and Housing Corporation.

In closing, Mr. Speaker, I wish to thank the population of the constituency of Laval for their confidence and co-operation. In return, I promise them my best efforts on their behalf.

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, it is a duty this year for all members of this house, to voice the opinions of their constituents, in view of the serious situation facing all constituencies throughout the country.

I have been listening with much pleasure to the hon. member for Laval (Mr. Bourdages), making his maiden speech in this house. He did quite well, and I congratulate him on this first effort. I hope we shall be hearing more of him.

Mr. Speaker, may I, as did all previous speakers, congratulate the proposer and seconder of the address in reply to the speech from the throne (Messrs. Jorgenson and Fortin). I wish, particularly, to congratulate the Leader of the Opposition (Mr. Pearson) who, in a speech that lasted over two hours, drew a true picture of conditions facing Canadians under a Conservative government.

I can recall how during the election campaigns of 1957 and 1958, our hon. friends across the room openly criticized the Liberal government and asked people to elect a Conservative government that promised heaven on earth.

Well, Mr. Speaker, the Conservative party has been in power only slightly over a year. In a matter of a few months, Mr. Speaker, we are back to the empty and dark years with which Conservative governments have always plagued this country throughout its history: the Borden government, the Bennett government, and now the Diefenbaker government.

Mr. Speaker, how often have we heard it said: "Beat the Liberals and there will be no unemployed in the country. Beat the Liberals and we will settle the problem of federal-provincial relations. Beat the Liberals, and Canada will enjoy prosperity such as it has never known." Since the beginning of this session, certain members of the right—who will come to the left very soon—have shouted at every turn, as do, for instance, the hon. members for Roberval (Mr. Tremblay), for Joliette - L'Assomption - Montcalm (Mr. Pigeon) and for Sherbrooke (Mr. Allard), who are all Union Nationale Conservatives from the province of Quebec, and who were elected because they promised in all ridings of the province of Quebec to lead Canada to the very peak of prosperity.

Mr. Speaker, I would prefer that, instead of interrupting the speeches of those who are discharging their duties, hon. members, and particularly the member for Roberval, described to their voters and to us the situation that existed when he won the riding in 1958, and of the situation in which the Conservative party has placed the same riding a few months after gaining power.

In regard to the Roberval constituency, for instance, this afternoon, I secured the latest statistics, and they are not at all pretty. In fact, I would be ashamed to rise in this parliament of Canada and to be part of the Conservative team that was so critical of the St. Laurent government, the government which led the country to the highest peak of achievement since confederation, and end up with the result that is experienced now since the professor of Laval University, a 100 per cent "duplessist" was elected to this house.

In the riding of my friend from Roberval, in May 1957, under the Liberal administration, there were 1,589 unemployed. A year after our friend's victory, in May 1958, in the same constituency of Roberval, under the leadership of the great and worthy new member, there were 3,794 unemployed, an increase of 2,205 in a year.

In June 1957, in the riding of Roberval, there were 1,186 unemployed, and since our friends took power, in June 1958, there were 2,713, an increase of 1,527 in a single year.

And, I look now at my friend from Joliette-L'Assomption-Montcalm (Mr. Pigeon) he of the serene smile, that ex-private secretary to the "duplessist" minister of labour—who also likes to sing the praises of the Conservative administration. Well, may I advise him to think of the change that can happen under a new government; I will give him the figures on his own constituency, the figures for "his village" as Mr. Duplessis would put it.

At Joliette, in May 1957, 1609 unemployed were registered at the unemployment insurance office; in May 1958, a year after the election of the devoted secretary to Mr. Duplessis' minister of labour, there were 3,410 unemployed receiving unemployment insurance benefits, an increase of 1,801.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I believe the hon. member for St. Jean-Iberville-Napierville is mistaken. According to official figures, there is less unemployment this year in the Joliette-L'Assomption-Montcalm constituency than at any time in the past.

(Text):

Mr. Speaker: Order. The hon. member for St. Jean-Iberville-Napierville has the floor. If the hon. member for Joliette-L'Assomption-Montcalm wishes to make an explanation I would appreciate it if he would reserve it until the end of the speech.

(Translation):

Mr. Dupuis: Mr. Speaker, these figures were given to me this very afternoon by the secretariat of the unemployment insurance commission; they are therefore official figures of the unemployment insurance commission.

Mr. Pigeon: Mr. Speaker, may I rise on a point of privilege?

Mr. Pickersgill: There is no matter of privilege there.

Mr. Dupuis: With pleasure.

[Mr. Dupuis.]

Mr. Pigeon: Am I allowed a question?

Mr. Dupuis: Yes, certainly.

Mr. Pigeon: Who gave you those figures?

Mr. Rouleau: That is not a question of privilege.

Mr. Dupuis: Mr. Speaker, after the statement made by the Minister of Defence Production (Mr. O'Hurley), I will certainly not divulge the names of civil servants.

Mr. Speaker, I think the standing orders provide that the word of a member must be accepted when he quotes statistics and informs the house where he obtained them. If my hon. friend from Joliette-L'Assomption-Montcalm had better knowledge of the standing orders, he would not ask such a question.

Mr. Johnson: You were only asked to give additional details.

Mr. Dupuis: Well! Now another voice is piping up. I think I have additional details also for the constituency of Chambly-Rouville.

Mr. Speaker, I can well appreciate that this is not especially pleasant to my hon. friends, particularly those who represent a "duplessist" constituency, that is, a constituency where a "duplessist" minister boasts that he is giving the people all they get. You know, they have the giving habit; in fact they are always giving. As they say, "we have given and consecrated". Indeed, they have consecrated a good deal of unemployment within a few months.

Mr. Speaker, before I was interrupted by the member for Joliette-L'Assomption-Montcalm—I truly believe he did it because the truth always hurts—I was stating the number of unemployed in the beautiful constituency of Joliette-L'Assomption-Montcalm. In the month of June 1957, there were 1,282 unemployed workers; that was when the Liberals were thrown out of office. However, after my hon. friend grew hoarse from making speeches in the three counties and was elected, we find that in a year, the number of unemployed rose to 2,742, an increase of 1,460. Mr. Speaker, I shall now deal with the constituency of Sherbrooke, which is known as the queen or the pearl, I am not sure, of the eastern townships. There was at Sherbrooke also in 1957, a Conservative candidate who promised heaven and earth to the voters, and undertook to free the country from the evil Liberal administration. He was elected. Well,

do you know how many unemployed there were in Sherbrooke in May 1957, 3,068. A year later, in May 1958, under the Tory Conservative administration which was to save the country, there were, in this same riding, 6,048 unemployed, an increase of 3,340. This in a single Conservative constituency, Mr. Speaker.

Some hon. Members: Shame!

Mr. Dupuis: In the month of June 1957, Mr. Speaker—

(Text):

Mr. Allard: Mr. Speaker, I should like to ask two questions of the hon. member for St. Jean-Iberville-Napierville. I would like to ask the hon. member for St. Jean-Iberville-Napierville to give us the figures about the increase or decrease of unemployment from June 10, 1957 to this day, in his constituency. As a second question, I would like to know—

Mr. Dupuis: Mr. Speaker, there is no point of order, and I would ask the hon. member to let me speak because I do not have much time left and I have much to say. However, I will answer his first question.

An hon. Member: Do not wait for Mr. Maurice Lamontagne to answer.

Mr. Dupuis: In regard to the increases and decreases that have happened during one year, the hon. member for Sherbrooke will be able to calculate them. We find that there is much more unemployment now than under the Liberal administration.

Mr. Speaker, in June 1957, in Sherbrooke, there were 2,872 people getting unemployment insurance benefits, and please note that I give only the number of those who were entitled to these benefits. The number of unemployed is even higher. In my hon. friend's constituency of Sherbrooke, where he promised to free the province and the country of the Liberal party, there were under the Tory-Conservative administration, in June 1958, 5,002 unemployed, an increase of 2,130.

I come now to another constituency, that of my hon. friend from Lake St. John (Mr. Parizeau), who specializes in shouting while his colleagues are making their speeches.

In St. Joseph d'Alma—

(Text):

Mr. Muir (Lisgar): Mr. Speaker, I wonder whether it would be in order to ask the hon. member to speak a little louder.

(Translation):

Mr. Dupuis: Mr. Speaker, there are none so deaf as those who don't want to hear.

Now, Mr. Speaker, I come to Lake St. John constituency. I hope that the hon. members are proud of these statistics. I hope that they feel the Conservative blood running in their veins at this moment. In Lake St. John district, in May 1957, there were fewer than 1,000 persons registered with the regional unemployment insurance office, more precisely 966. But, when my hon. friends came to power, there were, one year later, in 1958, in the great constituency of Lake St. John, 2,081 unemployed, an increase of 1,115, and this, in one year only with the Conservative springtide.

In the same constituency, in June 1957, 743 people were drawing unemployment insurance benefits. One year later, in June 1958, 1,493 people were drawing those benefits, an increase of 750 and this, again, in one year only.

Mr. Speaker, we could visit in this way the whole province, and everywhere we would find a similar situation; the province of Quebec is in a slump, like the rest of the country. However, our hon. friends praise the right hon. Prime Minister, and the Prime Minister himself praises his own deeds. I have at home, in my music shop, a French record that I will send to the right hon. Prime Minister as soon as I get back to St. Jean. That record is entitled: "Johnny, you're no angel". Mr. Speaker, the more I study the deeds of the present government, the more reason I find to sing this French song.

We have accurate figures concerning the city of Montreal. Do not wait for the Minister of Labour (Mr. Starr) to give them to you, because he does not seem in a hurry to do so. In Montreal, in the local office of the unemployment insurance commission in May 1957, under the Liberal government, there were 24,460 unemployed registered. One year later, in May 1958, there were 59,883, an increase of 35,423, and again, under a Tory-Conservative administration.

In June 1957, again in Montreal, there were 22,858 unemployed. A year later, in June 1958, there were 53,666, an increase of 30,808. And here again, when I give the number of unemployed, I refer only to those who draw unemployment insurance benefits.

To please my hon. friend the member for Sherbrooke, I shall say that in St. Johns, in the St. Jean-Iberville-Napierville constituency, instead of growing, the population

has decreased. Many people are leaving St. Johns because they cannot find any work. I shall say to my hon. friend from Sherbrooke that in St. Johns, the oldest concern, the Singer Sewing Machine has laid off a very great number of its employees, men who had been working there for 15 or 16 years and who thought they were enjoying the security they had known during the 15 or 16 years of the Liberal administration, men who are now out of work and had to leave St. Johns to seek employment elsewhere. Is the hon. member for Sherbrooke satisfied with my answer?

We have found that everywhere factories are laying off employees in great numbers; Conservatives are complaining, not only in St. Johns, but also in Sherbrooke, in Lake St. John, in Beauce, in Abitibi, everywhere. Business is in a bad way and the effects are really being felt. We feel that things are really changing, but changing for the worse.

Mr. Speaker, do you think that we are happy about this distressing situation? If I had been a Conservative candidate in 1958 and I had promised my constituents everything the Conservative candidates have promised in their constituencies, I would find it very embarrassing to rise in the house to praise a government who has failed to fulfil all its promises. However, I am proud to belong to the Liberal party, a middle-of-the-road party, a party that has made Canada the beautiful country it is and has given to it the most prosperous years of its history. I am proud, Mr. Speaker, to think of the names of Sir Wilfrid Laurier, William Lyon Mackenzie King, Louis St. Laurent, and to compare them with Messrs. Borden, Bennett and the new one.

Mr. Pigeon: It is you who have crucified Mr. St. Laurent.

Mr. Dupuis: Mr. Speaker, you have just heard another expression of Duplessis supporters "With the crucifix", always the crucifix.

An hon. Member: The one you have discouraged.

Mr. Dupuis: Mr. Speaker, you will note that my hon. friends are angry; it pleases me to note that nothing hurts like the truth, Mr. Speaker, I wonder which one of my hon. friends—and I would ask those who are listening to me by means of the simultaneous translation system to answer me by the same system—I would ask them to tell me who, in the province of Quebec, did not, in the campaign, promise to send a delegate to the Vatican. Who did not promise, during his campaign in the province of Quebec—

[Mr. Dupuis.]

Mr. Johnson: I did.

Mr. Dupuis: —to be against the Colombo plan.

Mr. Johnson: I asked for it, I did not promise to send a delegate to the Vatican.

Mr. Dupuis: Your brother the minister did promise it.

Mr. Johnson: He never promised it. And I defy you to find a single passage in any speech where he would have done it.

Mr. Dupuis: Mr. Speaker, I listened personally to my hon. friend's brother. I personally heard him in the St. James riding in Montreal speak about the ambassador to the Vatican. And you were probably there, you were following him everywhere. The hon. provincial minister, brother of my hon. friend whom I have just annoyed, promised over the radio—

(Text):

Mr. Speaker: I am not quite sure whether the hon. member is speaking on the amendment to the amendment or on the amendment itself.

(Translation):

Mr. Dupuis: You were very nice, Mr. Speaker, to my friends opposite and I thank you on their behalf. Mr. Speaker, I was saying that our friends promised prosperity, and oddly enough throughout the years the various Conservative administrations did not change and their stand is always similar, indeed identical, and they are always the same.

Two days ago, I heard the Right Hon. Prime Minister of Canada reply to the magnificent speech made by the Leader of the Opposition. What did the Prime Minister say? Oh! and with his well-known effectiveness he exclaimed: But you are going to spread distrust! Those are wailings and lamentations. And our Prime Minister was definitely scandalized, the Leader of the Opposition had been bold enough to claim that there was unemployment under the new Conservative administration.

Mr. Speaker, it will be six o'clock in a couple of minutes. I promise you to come back after. Don't be too proud. We are going to have supper and I promise as a dessert to give you some evidence of how Conservative administrations never change. Mr. Speaker, may I call it six o'clock?

Some hon. Members: No, no, there are still two minutes left.

Mr. Dupuis: I move the adjournment of the debate.

(Text):

Mr. Speaker: The hon. member has said it is six o'clock; that being so, I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

(Translation):

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, allow me at the opening of this sitting to raise a question of privilege. I should like to put a question to the hon. member for St. Jean-Iberville-Napierville.

What does he think of the statement made by—

(Text):

Mr. Speaker: Order. I had not called the house to order yet. The hon. member is a little bit previous. Has he a question of privilege? If so, I will hear the hon. member.

(Translation):

Mr. Pigeon: What does the hon. member for St. Jean-Iberville-Napierville think of the statement made by Maurice Carmel, manager of the local employment service of the unemployment insurance commission in Joliette, who was reported in the *Etoile du Nord* of December 17, 1958 as saying that there is less unemployment in Joliette this year than last year for the same period.

(Text):

Mr. Habel: There is no question of privilege there, Mr. Speaker. After all, he is replying to the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis). He will have an opportunity to reply in his speech. There is no question of privilege there.

Mr. Speaker: What question of privilege does the hon. member wish to raise?

Mr. Habel: None whatever.

(Translation):

Mr. Pigeon: The hon. member for St. Jean-Iberville-Napierville has made a statement which I think is not true on the employment situation in Joliette. I have an official document which proves that what he said is false. He attacked me—

(Text):

Mr. Speaker: Order. If the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) feels that some statement made by the hon. member who has the floor is not correct, he has the opportunity to make an explanation, if it relates to him, at the end of the speech. But if it is just a contradiction of something the hon. member has said, that is a matter of debate and not a proper point of privilege. It is simply that the hon. member does not agree with what the hon. member who has the floor has said. I will ask the hon. member for St. Jean-Iberville-Napierville to continue.

(Translation):

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, I am well pleased to see that the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) before digesting his dinner had already something to say, and that shows that my remarks have stung him deeply.

So I shall resume my remarks and I have no intention of repeating what I said before recess.

The statistical data which I gave were obtained from a reliable source and if the hon. member for Joliette-L'Assomption-Montcalm is satisfied with what he reads in the newspapers, I must tell him that I went to the best official source, to the unemployment insurance head office. So the figures I mentioned were the authoritative ones.

Therefore, Mr. Speaker, I shall carry on with my remarks to fulfil the promise I made before dinner, namely of proving to you that the Conservative party, whether at Lake St. John or elsewhere is always the same.

Indeed no matter how the Conservatives change, they always remain the same. Mr. Borden was like Mr. Bennett. Mr. Bennett was like Mr. Borden. Now the new one looks strangely like the other two.

As I said, when the right hon. Prime Minister replied to the substantial, serious and intelligent speech of the hon. Leader of the Opposition (Mr. Pearson) he said to this house and to the whole country that there was nothing in it but wailings which could but create an atmosphere of distrust towards Canada.

Well, Mr. Speaker, the Prime Minister said nothing new. He only repeated what his predecessors had said, and to prove it I can call no better witness than *Hansard*.

On October 10, 1932, when the prime minister was the Right Hon. R. B. Bennett and when the leader of the opposition was the Right Hon. William Lyon Mackenzie King, the leader of the opposition pointed out to the prime minister that the unemployment situation was alarming, that the new administration was bringing about in the country a disturbing atmosphere. Do you know what the then right hon. prime minister answered? Listen carefully, Mr.

Speaker, and you will have the impression of listening to the head of this government. Mr. Bennett said:

> When it is said that the conditions in this country are worse, when an effort is made by the jeremiads of a Jeremiah to make it appear that all is not well in this country, to paint everything in the darkest possible colours, to have the right hon. gentleman stand in his place today and minute after minute for almost half an hour paint the evils of present conditions in this country and deprecate the efforts that have been made by the government to sustain the morale of the Canadian people, I say it is not worthy of a great opposition or of a great party.
>
> It is the duty and function of those who govern for the moment to endeavour by every means in their power to restore the morale of the people and to create confidence in themselves and in their country that all was and would be well.

And a little further on, in the same speech, the Right Hon. Mr. Bennett referred once more to the opposition's jeremiads, real Jeremiah's lamentations.

Mr. Speaker, the extracts I have just quoted may be found on page 49 of the official record for 1932, and they indicate that the more the Conservatives change, the more the situation remains the same, and the more the old Tory guard remains what it is. In his election campaign of 1930 Mr. Bennett's slogan was: "Canada First". However, on the first occasion, he went over to England to be knighted.

In the course of his 1930 campaign, Mr. Bennett blared all over Canada: "We are going to put a stop to unemployment, we are going to increase the standard of living of Canadians, we are going to develop the country's resources". You know what happened, Mr. Speaker. History repeats itself, but the more it changes, the more it remains the same. It is with those words I have just quoted the Right Hon. Mr. Bennett replied to the then leader of the opposition. Therefore, it is clear that the present leader of the government has just said the same thing.

As in Trinity, there was, after Mr. Bennett's election in 1932, a by-election. And in that by-election, the Conservatives lost some ground. Mr. Mackenzie King pointed out the result in this house. Mr. Bennett then said that it did not mean a thing, as our friends say in Trinity. I take this opportunity to mention the arrival amongst us in this house of a minister in the former Liberal cabinet, who will certainly be one in the next Liberal cabinet which will be elected a little later.

And, as in 1932, we heard our friends opposite say that the by-election did not mean a thing. Allow me, Mr. Speaker, to read out what the then hon. leader of the opposition replied when it was stated that a by-election had no significance. He merely read out some verses of Kipling, which made them think. The situation is so much alike this year, that I would regret not to read them out again.

I understand that the hon. member for Chambly-Rouville (Mr. Johnson), has never read Kipling. He has never read anything; he is like his leader of the Union Nationale.

Here are Kipling's lines.

An hon. Member: He reads the *Devoir*—

Another hon. Member: He reads *Montréal-Matin*—

Mr. Speaker: Only one at a time, please.

Mr. Dupuis: Mr. Speaker, thank you for having spoken in French and, in order to show you our appreciation I shall now speak to you in English.

This is what Kipling said and I shall repeat it to our friends following their fiasco in Trinity. And strangely enough, Mr. Speaker, our friends opposite are in the same situation as in 1932.

(Text):

> Let us admit it fairly, as a business people should,
> We have had no end of a lesson: it will do us no end of good.
> Not on a single issue, or in one direction or twain,
> But conclusively, comprehensively, and several times and again,
> Were all our most holy illusions knocked higher than Gilderoy's kite.
> We have had a jolly good lesson, and it serves us jolly well right!

(Translation):

This afternoon I heard the Minister of Labour—

Mr. Johnson: May I ask you a question?

Mr. Dupuis: You wish to ask me a question?

Mr. Johnson: I should like to know of the member for St. Jean-Iberville-Napierville the reference to the text he quotes from Kipling, if he does claim to read Kipling.

Mr. Dupuis: If my friend is not well read enough to know the page, I am not here to tell him. Besides, he only has to consult the professor from Laval university, the hon. member for Roberval (Mr. Tremblay).

The hon. Minister of Labour stated this afternoon—or perhaps it was this morning—that many municipalities had asked for winter unemployment relief work. Well, Mr. Speaker, as was so truly said by the hon. member for Essex East—we are so used to calling him Mr. Minister, and so confident that we will be calling him again Mr. Minister, that we forget the name of his constituency—the hon. minister of national health

and welfare in the St. Laurent cabinet made a brilliant speech in this house this morning, showing point by point that the assertions made by the Prime Minister were false. It would have been the responsibility of the hon. Minister of Labour to correct the former health minister's assertions had they been untrue. However, he did not do it, because he knows the Prime Minister has juggled with the figures, and he himself, the Minister of Labour this morning wanted us to believe all was well in this country led by a Conservative government.

Well, Mr. Speaker, I have proven that, in the constituencies that I mentioned earlier during my speech, those of my friends from Lake St. John, Roberval, Sherbrooke, Joliette-L'Assomption-Montcalm, etc., everything was as bad as possible, where everything was going fine at the time of their return to power.

And, Mr. Speaker, the Minister of Labour, when he brings up the matter of these winter works, makes the whole country laugh. Imagine, he has paid, in the city of Ottawa, for 8,000 unemployed, he, the great treasurer of labour, the sum of $1,500,000 for winter works.

(Text):

Mr. Monteith (Perth): You're not up to date.

(Translation):

Mr. Dupuis: Do you know how many people will be able to get a job, thanks to that federal government's assistance? Steady yourself, Mr. Speaker. One hundred and fifty unemployed will get a job in the city of Ottawa, out of a total of 8,000, and the present government flatters itself with having efficiently solved the unemployment problem.

Well, Mr. Speaker, I say with the Leader of the Opposition that the present government does not deserve for one more day the confidence of the Canadian people, because all the promises it has made have been null and worthless. It has fulfilled none of its commitments, so that at the present time, the whole country is now going through a period such as we have known in the dark days when Mr. Bennett was at the head of the Canadian nation.

In my constituency of St. Jean as elsewhere unemployment has increased considerably, Mr. Speaker. In the constituency of Sorel unemployment has increased so much that sometimes some of the unemployed make off to some other districts where they are not likely to find jobs either.

Let us look with our hon. friends into the situation as it exists in Richelieu district, which our historians claim to be one of the richest in the province and even in the entire country. It is a fertile district watered by a clear river. We know, Mr. Speaker, that in Sorel, in Chambly—my hon. friend cannot deny it—in St. Jean-Iberville-Napierville unemployment has increased materially since our Conservative friends came to power. And, Mr. Speaker, as was so ably pointed out by the former Minister of Transport, the deepening of the Richelieu river in order to provide jobs for our workers and to find further commercial outlets between New York and Montreal immediately comes to our mind.

Mr. Speaker, inasmuch as the Prime Minister talks about the lamentations of a Jeremiah, I should like to read to you the statements made in 1955 by the present Minister of Public Works (Mr. Green) when the issue was merely seasonal unemployment, and the statements made by the present Minister of Citizenship and Immigration (Mrs. Fairclough) when the issue was merely a gap in the field of labour. Let me quote what the present Minister of Transport (Mr. Hees) said when he spoke to the same effect, as reported on page 138 of *Hansard* for January 13, 1955. Here is what the present Minister of Transport said in 1955. The issue then was merely a small-scale seasonal unemployment compared with what we are experiencing today. Here is what he said when he sat on the opposition side as the private member for Broadview.

Here is what he said as reported on page 138 of *Hansard* for January 13, 1955. And the Prime Minister dares tell us that we are fiery, that we are spreading distrust, that we are creating an atmosphere of uncertainty. At the time unemployment was merely a drop in the bucket and was almost nil.

Here is what the Minister of Transport said at the time:

> If a man or woman is willing and anxious to work, and through no fault of his or her own cannot find work during the months preceding the first of the year—

As you see, that was seasonal unemployment—

> —then somebody must assume responsibility for that person and his family. The municipalities have no funds to do it; the provinces have no funds to do it. For some years past it has been the overwhelming opinion of all people who have made studies of this problem that this is a federal responsibility. They have urged the federal government to assume its responsibility in this matter. However, despite this overwhelming body of opinion, this government has continued to duck its responsibility, and I believe that by so doing it is showing a shocking lack of concern for the people for whom it has a primary responsibility.

What could we not say today, Mr. Speaker? The present minister, who was then the member for Broadview, added this:

> For two or three years past I have asked the minister to tell the country what his views are on this problem, and the minister on behalf of the government has refused. I am going to ask him again today. I hope he will give us an answer, because the country is waiting for that answer.

Well, Mr. Speaker, I hope this government will give us an answer, because the country is waiting for one and none is coming from the government.

(Text):

Mr. Speaker: I regret to interrupt the hon. member, but his time has expired.

(Translation):

Mr. Dupuis: May I call your attention to the fact that I started to speak at 18 minutes to and that I still have three minutes to go.

(Text):

Mr. Speaker: I cannot allow the hon. member to contest the ruling of the Chair.

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I wish to express my appreciation for this opportunity of taking part in the debate on the speech from the throne, and to bring up several matters of interest to my constituents. I should like to associate myself with those other hon. members who have congratulated the mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address in reply. Their speeches did credit to themselves and credit to this house. I feel the opposition should also be congratulated on the enthusiasm and even the fervour with which they carried on their duty of criticism, especially in view of the fact that they have such a weak case on which to work. As is customary in throne speech debates the opposition has seen fit to move an amendment which implies want of confidence in the government. I, of course, along with my colleagues am very much opposed to any such amendment. We feel the government has done a good job and we wish to congratulate all concerned on their administration.

While the effects of government policy bear unequally on different groups in our economy the overall results of these policies have, we believe, been good for Middlesex West and good for Canada. All government is a compromise. In our intricate present day society when one group is helped another group may be hurt. We cannot all benefit equally through government policies all of the time. Equity is an ideal that we have to strive for but which we have no hope of attaining. Care must be exercised by government to promote equity. We believe our government has exercised such care.

All of us when considering economic propositions must remember to consider what their future effects will be as well as the present advantages of such propositions. For instance, it is folly to set farm prices at a level which will produce unmanageable surpluses. It is folly also to set up unemployment insurance plans that defeat themselves by destroying the incentive of people to work. Constant increases in wages and prices can only result in ever increasing spirals of inflation and end in financial disaster. We must remember that every time we increase our social security we must sacrifice a corresponding part of our individual freedom in the spending of our income. As a people we must give if we are to get. We cannot take from our national pool of wealth more than we put in. We submit that the caution with which our government has moved in the exercise of its functions has inspired confidence among people everywhere.

I have great faith in our Canadian people. We will stand together to maintain Canada as the best country in the world in which to live. In 1957 Canadians chose a new government which they believed would best serve Canada's needs. In 1958 they confirmed that choice by returning the government to office with the greatest majority ever given a government in this country. There are no grounds for belief that the confidence of the people in our government has weakened in the slightest degree.

Federal-provincial relationships have improved since this government took office. Never before has this country been so united as it is today. Commonwealth bonds have been strengthened by the commonwealth conference held last year and by the Prime Minister's recent visit to commonwealth countries. Our Prime Minister (Mr. Diefenbaker) and our government have clearly demonstrated their dedication to the cause of commonwealth development and their belief in the great role which the British commonwealth can play in world affairs.

Our good relationships with the United States have been maintained and improved. Our interests have been stated frankly and frankly discussed. A greater measure of mutual respect and trust has been the result. Our interests in trade and defence are so closely bound to those of our southern neighbours that the best and most cordial relationship with them are essential for our mutual benefit.

The constituency of Middlesex West, which I have the honour to represent, is a representative Canadian riding. It is both urban

and rural, industrial and agricultural. Although we are an inland area the great lakes are near enough that the future of the St. Lawrence seaway has a very significant place in our future plans. Our constituency is characterized by numerous new suburban homes, light industry and diversified agriculture. Our factories make aluminum products, tubular fittings, plumbing and heating supplies, woollen goods, furniture, drainage tile, agricultural chemicals, mobile homes and store equipment. We have plants which process meat products, poultry products, dairy products, fruits and vegetables and also plants which mill flour and feed. Our farmers produce in some quantity nearly every product of agriculture that can be produced in any part of Canada: grain and seeds, fruits and vegetables, every kind of livestock and tobacco. From our woodlots come Christmas trees and large quantities of hardwood for manufacturing.

We have ethnic problems similar to those in some other parts of the country. The first settlers in Middlesex West were almost exclusively of British descent; English, Irish, Welsh and Scottish. In recent years the character of the population has changed and in some areas nearly half the population now are new Canadians. Because we are both urban and rural, industrial and agricultural, owners and wage earners, importers and exporters, old Canadians and new Canadians, debtors and creditors, we find ourselves on both sides of nearly every social and economic argument that is taking place in Canada today.

Middlesex West welcomes the announcement that a visit to the city of London is to be included in the royal tour this summer. Since our constituency includes the western suburb of the city this announcement is of special significance to us. Our people greatly appreciate this honour and I am sure will cooperate in every possible way to prepare a royal welcome.

We are thankful to be able to say that unemployment in our area is not as serious as in some other places but we have it. Our people endorse the various policies of the government aimed at easing its effects. The extension of seasonal benefits under the unemployment insurance plan and the removal of all restrictions in connection with federal sharing of direct relief costs has been of great assistance. The government's public works program of construction, and the encouragement of special municipal programs of winter work by a federal grant of 75 per cent of the labour costs should also help to provide jobs. The "why wait until spring" and "do it now" publicity programs carried on by the Department of Labour should help in promoting winter work.

Middlesex West has enjoyed a fair share of the home building boom that has prevailed across the country since the last war. The year 1958 was a record one in our area, and the prospects look good for 1959. Our people appreciate the encouragement being given to home building. In 1957, and again in 1958, large sums were made available to Central Mortgage and Housing Corporation to bolster the building industry that had previously been slowing down for lack of funds. This home building policy serves two purposes; it provides much needed homes for our rapidly expanding population on terms that people can afford to pay and it provides jobs.

Our Post Office Department has kept abreast of our home building in Middlesex West. During 1958 several important extensions of house to house deliveries were made in the suburban area. This service was extended to 965 homes in Oakridge Acres and to 191 homes in University Heights. The Post Office Department conducts a continuous survey of suburban development with a view to extending house to house delivery service as soon as any area reaches the necessary density of development. The standard required is an average of 40 yards between delivery calls. I am advised that the Orchard Park subdivision is rapidly approaching the necessary standard for house to house service. This diligence of the Post Office Department in providing extensions of service as soon as possible is greatly appreciated.

On page 2744 of *Hansard* of July 26, 1958, the Postmaster General (Mr. Hamilton) stated that house to house delivery is not provided in municipalities where delivery calls number less than 2,500. The reason behind this policy is that house to house delivery is most economical where six carriers can be used, five for regular five-day week route work, and one spare man to alternate over the five regular routes so as to furnish six-day service.

It is respectfully suggested to the minister and the government that consideration should now be given to providing house-to-house delivery in smaller towns and villages where there is sufficient work to provide full-time employment for one man. Rural free delivery is almost universal; so is house to house delivery in the large centres. It would appear that the people in the smaller towns and villages may be under a disadvantage compared with others from the standpoint of mail service. A number of extensions of rural mail routes to provide more convenient service for

individuals were made in 1958 and were much appreciated. Much appreciated also is the planning of a new post office building in the town of Strathroy. We hope that the selection of a site satisfactory to the town and to the Department of Public Works will not be unduly delayed.

The people of our constituency owe a debt of gratitude to the Minister of Transport (Mr. Hees) and the officials of his department for assistance in several ways during the last year. Through the mediation of his department an advantageous rental agreement for the use of the C.N.R. stock pens at the village of Ailsa Craig by the farmers' co-operative was arranged. This department also aided greatly in clearing away the difficulties which delayed for a considerable time the building of the Hutton sideroad underpass in London township. Construction of this underpass is now scheduled to begin early in 1959.

We have in Middlesex West a large Indian reservation. As their representative in parliament I am most anxious to assist them in obtaining help to help themselves. I am glad to see that a new central school is to be constructed by the Indian affairs branch on this reservation. I wish to commend the Minister of Citizenship and Immigration (Mrs. Fairclough) for this action and to express to her the appreciation of our people that it has been found possible to increase the educational facilities here. I have had the privilege of visiting several of the classrooms on the reserve and watching the pupils at work and I would say, judging from what I saw, that those boys and girls on the reserve will make the best possible use of the new facilities. I have been assured that the facilities provided will be of the highest standard. I am glad of that assurance because those people deserve the best. As their representative it is a part of my responsibility to see that they get the best.

The most noticeable feature of the reserve that strikes one when driving through it is the growth of weeds and brush everywhere in evidence. This reserve has in it some very fine agricultural land. I feel that it should not be lying idle and growing up to weeds. In bygone years this land was used for growing crops, but of late years agricultural activities on the reserve have been curtailed. There are a number of reasons why this has happened.

Most reserve land is divided into small farms of fewer than 50 acres; parts of these farms have never been cultivated, so that the fields that once were cultivated would range in size from 2 to 20 acres. There are some large fields and some large farms on the reserve that are farmed with power machinery but small farmers cannot afford modern equipment with which to carry on their agriculture, and so the fields have been abandoned and are growing up to weeds and brush.

Another reason for the abandonment of those fields is the lack of tile drainage. When horse power was used drainage was not so essential. Horses do not get stuck in mudholes as tractors do. In our constituency tile drainage is essential for farming with power equipment. There is little hope of reviving agricultural activities on this reserve without more tile drainage. Our Indians have requested assistance in reviving agriculture on their reserve. On their behalf, therefore, I request that the government give consideration to having a tile drainage plan prepared for this reserve and that tile drainage work be undertaken.

To prevent a further deterioration of reserve land and to make it possible for small land owners to use their land to advantage while still holding jobs in industry, or after retirement, I request that farm equipment, together with trained operators, be made available on a custom work basis for the use of small land owners on the reserve.

The people of Middlesex West are seriously disturbed about the ever increasing power of labour bosses and their ability to paralyse our economy with strikes. Our people feel that the time has come when serious consideration should be given to the provision of safeguards against the abuse of union power. This suggestion implies no hostility whatsoever to the legitimate aims of labour unions.

Not only does this uneasiness prevail among non-union people but in the ranks of organized labour as well. Much is read and heard these days of the unscrupulous conduct of some labour leaders, and the seeming inability or lack of desire on the part of the unions to control or replace them. One explanation is that the rank and file of the membership in some unions have lost control through lack of interest and non-attendance at meetings and a situation develops where control cannot be regained. There are stories of hoodlum tactics being used by labour bosses to retain their power when criticism of them within a union develops.

Regardless of how their control came about, the hard fact remains that labour bosses are in a position to impose their will on essential parts of our economy. Our people feel that this should not be. We have legislation to curb improper exploitation of the public by

big business and many believe the time has come when serious consideration should be given to the imposition of safeguards against unscrupulous abuses of power by big labour.

Now that labour unions have become so powerful that they can impose their will on the country by strikes or threatened strikes which would paralyse our economy by tying up transportation or cutting off essential supplies such as fuel or electricity, without which many communities could not survive, our people say that it is time to take remedial action before the situation gets out of hand.

Labour unions were organized originally to raise the wages and improve the working conditions of the low-paid workers in industry. The trend now is to help the highest paid workers to get more. Today big labour is being used to boost ever higher and higher the wages of those already at the top of the labour scale. We are building up in this country a high-cost economy which constantly increases our difficulty in competing for world markets. We are pricing ourselves out of business. Our people feel that this problem of high-cost production must be faced and steps taken to prevent our economy getting further out of line with world markets.

The ability of big labour to dictate ever higher wages in the industries under their control is creating unrest among all groups in our society and is one of the principal contributing factors to inflation. Earners of smaller wages and salaries in industry, agriculture and the professions are demanding that they be kept in line with labour on a percentage basis. This constant pressure on the wage and salary line, this "keeping up with the Joneses" in industry is probably one of the main factors in increasing costs.

Labour is not alone to blame for our present economic instability. It is a trend of the times. Everybody is out for himself; everybody wants more. What makes big labour show up so boldly in this mad race is that they have the inside of the track and are taking full advantage of it. Some day, somehow, this mad race must end. Our people are looking hopefully to the government to provide the incentive which is necessary and which only the government has the strength to provide to guide our economy into a more stable condition. Our people believe that one incentive to stability would be to restore the control of labour unions to the rank and file of the membership and to curb the ever-increasing power of the labour bosses.

Our people will expect the government to give the most careful consideration to the recent civil service commission recommendation that certain collective bargaining privileges be extended to civil servants. This is a new departure in Canada and requires most careful consideration on the part of all concerned. Such action might ultimately lead to the unionization of the civil service under foreign labour control. We believe that such a development would be most undesirable.

Middlesex West was endowed by nature with some of the finest agricultural land to be found in Canada. We can grow everything that will grow in any part of the country. Our agricultural products are much diversified. Some of our farmers are still labouring under the effects of an adverse cost-price squeeze but others have enjoyed a good measure of prosperity in 1958. It depends on the line of production in which they are engaged. Crops this year were good. We had record yields of grain and apples. Higher prices for cattle in 1958 have given many of our farmers a great lift.

Our wheat producers took an active part in organizing the Ontario wheat marketing board. This board got into operation just as harvesting began in 1958 and some difficulties were experienced in handling the first of the crop. As time goes on, however, the difficulties are being ironed out and this wheat marketing board should prove of great benefit to Ontario wheat producers by helping to stabilize the price. The departments of agriculture and trade and commerce have assisted in the solution of some of these Ontario wheat problems.

Ontario corn producers have been working for some months to establish a corn marketing board. We wish them success in their efforts. They have requested that corn be designated a commodity for support under the Agricultural Prices Support Act but we regret that so far no satisfactory formula for supporting corn has been found. Negotiations are still continuing.

Comments have been made in this debate about the improvement in our adverse balance of trade. We have a suggestion to make in this regard. Normally large quantities of soya beans are imported into this country. We use about 15 million bushels per year and we grow about half of our requirements. We are quite capable of producing all of our requirements of soya beans and we believe that it would be good business to encourage our farmers to increase their production.

We request that consideration be given to increasing the support price on soya beans to encourage greater production. In addition to improving our foreign trade deficit by cutting down our imports, we would take

acreage out of the production of surplus commodities such as wheat. Soya bean growers are irked because there is a $1.20 per bushel tariff against our soya beans going into the United States but United States soya beans enter Canada free. Our producers would welcome some adjustment to decrease this discrepancy.

The program of price supports under the Agricultural Prices Support Act has operated with reasonable satisfaction in our area. While our agricultural producers have argued for higher support prices, they appreciate the caution of the government and the board in setting prices. Our people agree that it is better to start low and make increases where necessary than to start too high and get into trouble with unmanageable surpluses. We subscribe to the theory that the law of supply and demand will ultimately prevail, and that while temporary support prices may be desirable to soften the efforts of sudden and drastic market changes, price supports should not be considered as permanent fixtures in regard to any commodity.

We feel that the best and soundest method of obtaining fair prices for agricultural products is the organization by the farmers themselves of commodity marketing boards and that such boards should accept the responsibility for adjusting production to market requirements.

We welcome the announcement in the speech from the throne that our present farm credit facilities are to be reviewed with the object of making it possible for farmers to obtain financial assistance in modernizing their operations. Improved credit facilities should go a long way in helping farmers out of the present cost-price squeeze by providing for necessary expansion of operation and the installation of labour saving equipment.

Again we wish to urge upon the government the advisability of bringing farm labour under the provisions of the Unemployment Insurance Act. Farmers are finding it ever more difficult to get help. People tend to avoid farm jobs because they get no unemployment insurance credits. Farmers are having trouble enough in competing for labour because of high industrial wage rates. They should not be further handicapped by lack of unemployment insurance coverage. We request that the government give further consideration to this matter.

We welcome the statement in the speech from the throne that the humane slaughter bill is to be referred to the agriculture committee. It is our opinion that the agricultural representatives in the house, who are most closely associated with the production and care of farm animals, would appreciate most keenly the necessity for promoting humane methods of slaughter.

A matter of immediate concern to our people is the extension of the current rabies epidemic into Middlesex county. Animals in several parts of the county have been diagnosed as rabid and several people have taken anti-rabies treatments. On January 6 the agriculture committee of the Middlesex county council called a meeting of county officials, federal and provincial members of parliament, health officials, conservation officers and others to discuss the situation. A resolution was passed asking that clinics be established to immunize pet animals as a safeguard against the infection of humans. We were informed by the Minister of Agriculture (Mr. Harkness) by telegram on January 8 that the rabies situation in Middlesex county was being closely watched, that a survey of the county would be made but that present commitments prevented the immediate establishment of inoculation clinics.

A story has been circulating in our area that no more heads of animals are to be sent to the Hull laboratory for examination unless human beings have been exposed. At the same time the story states that until there is more evidence of an increase in the incidence of the disease, clinics will not be established. Our people are wondering how we are to find out whether the disease is increasing when no more heads of animals are to be examined.

I have been informed by departmental officials and by the minister that the intentions of the health of animals branch are very much misunderstood in this regard. In areas such as Middlesex West where the disease has only recently made its appearance the laboratory is examining as many heads as they can get in order to keep track of developments. But in areas such as Grey county and the counties in the northern part of the province where the disease has been established for a considerable time and has probably reached a maximum of intensity, it is a waste of time to continue to examine animal heads unless for a specific purpose such as to determine whether or not a person has been exposed to infection by a rabid animal.

Our health officials favour setting up the clinics at the time when they are most likely to exert the maximum deterrent effect on the spread of the disease. They are watching Middlesex county closely with this fact in mind and as soon as the time is ripe for action clinics will be established.

We have a woollen industry in our constituency. It is not a large industry, but it

is important to many of our people. This industry is having serious difficulty in meeting the competition of imported goods from low cost countries. They contend that tariff protection alone cannot solve their problem. They request control of imports by quota so that a fair share of the Canadian market may be retained for Canadian manufacturers.

Because of the relative size of the markets in the United States as compared to the size of the markets in Canada, the unit cost of tooling up for production is lower in the United States than it is in Canada. Our manufacturing industry needs protection because of this and probably will continue to need protection for a long time to come. Some Canadian industries, such as the farm implement companies, may have grown to a size where their volume permits them to compete on equal terms with United States industry, but this is generally not the case. Our smaller industries especially are in need of special consideration if Canadian industry as a whole is to survive and prosper.

I wish to express our appreciation to the Minister of Fisheries (Mr. MacLean) for a very interesting and educational tour with him through the fisheries research laboratory in London. I was much surprised at the magnitude of its operation. This laboratory carries on the departmental research program for all fresh water fisheries in Canada. We of Middlesex West appreciate the location of this fine institution in our area.

The new national hospitalization plan, as it applies in Ontario since January 1 of this year, has been well received. More than 91 per cent of the people of Ontario are now covered. This exceeds expectations. Individuals are included in the plan on a voluntary basis, and people have signed up faster than was expected. This is a good indication that the plan fills a need in our economy. The plan will assist municipalities by eliminating much of the need for indigent hospital care. Because the plan permits hospitals to increase their rates to cover costs, hospital deficits which municipalities have been compelled to carry heretofore should disappear. Relief from this indigent hospital care and these hospital deficits should provide substantial assistance in the preparation of municipal budgets. Our government is entitled to much credit for speeding up the establishment of this new social service.

Nothing in the government's record of accomplishments since they took office has brought more satisfaction to our people than the administration of the Department of Veterans Affairs. The people of Middlesex West, together with the people in all parts of Canada, will stand firmly behind the government in providing a fair deal for our veterans. All proposals and recommendations made by the Canadian Legion for improving the legislation and regulations in connection with veterans affairs have been given sympathetic consideration and, when possible, put into effect.

I have heard much recently about repeal of section 34 of the Combines Investigation Act. I believe that this proposal involves fundamental rights of individuals as well as fundamental rights of the public. Before a decision is made I would suggest that this matter be referred to a competent independent tribunal for investigation and recommendation.

In conclusion, Mr. Speaker, may I say that the record of our government and the confidence which they enjoy amongst the people in all parts of Canada, constitutes abundant reason why these amendments now before us should be voted down.

(Translation):

Mr. Augustin Brassard (Lapointe): Mr. Speaker, we usually see in the chair the Speaker of this house and we take pleasure in telling him how we appreciate his work among us. Tonight I am happy to see the Acting Speaker occupy the chair as this gives me the opportunity to pay him a tribute for his sense of fairness and also for his sense of humour, although the occasion to show the latter seldom arises.

I would beg the Acting Speaker to be kind enough to convey to the Speaker the following message. I too have great pleasure in seeing again this year the Speaker of the house preside over the sometimes stormy proceedings of this assembly. Even though we are all aware that in view of the deeply human phase of his training, his extensive knowledge and his culture he is destined to still higher functions, if possible, we will be sorry to see the day when we are deprived of the pleasure of appreciating daily his sense of fairness and also, as in your case, Mr. Acting Speaker, his sense of humour which makes things so much easier in the heat of the debates.

Like the previous speakers, I congratulate the movers of the address in reply to the speech from the throne (Mr. Jorgenson and Mr. Fortin).

Both were a credit to their party and to their constituencies by the way in which they fulfilled the difficult and challenging task given to them by the right hon. Prime Minister of this country (Mr. Diefenbaker).

I will no doubt have the indulgence of the house if I am a bit more personal in my remarks in regard to the hon. member for Montmagny-L'Islet, not because I failed to convince his constituents to elect another representative, not because he tried himself to convince my constituents that they should vote for someone else, but rather because I have known him since my college years, as well as several members of his family.

Let me say that his distinguished brother Andre and I were fellow students. This brother is now a Catholic chaplain with our army. I also know other members of his family, and I can say with every sincerity and honesty that every one of them is a credit to their distinguished parents.

However, I would not want the hon. member for Montmagny-L'Islet to infer from these remarks that I wholly endorse the actions and policies of the new Conservative government of Canada.

Mr. Speaker, first I wish to thank the Conservative government for having provided this house with simultaneous translation. I do not believe that there is anything humiliating nor degrading for any one to recognize the good one finds in his opponent, and it is for this reason that I will rather speak in French, thus breaking away from a tradition which I used to observe, that is to speak at least fifteen minutes in English and fifteen minutes in French when delivering a speech in this house.

Mr. Speaker, what I should like to establish in my speech, is that there is a lack of cohesion among the ministers who lay down the general policy or administer our national affairs.

Let us examine for instance the field of agriculture, for one. I do not need to remind the hon. members that the hon. Minister of Agriculture (Mr. Harkness) who, fortunately, is in his seat tonight, addressed the Saskatchewan Farmers' Union not so long ago. He then expressed before the members of that group his personal ideas on agriculture in our country. The press made much of his speech and did not fail to recall what the right hon. Prime Minister had said on the same subject on another occasion. If the house will permit I will quote the *Western Producer* of December 18, 1958 in order to show to what extent the Minister of Agriculture and the right hon. Prime Minister are in perfect agreement on Canadian agricultural policy. I will put on the record part of the report in the *Western Producer* of December 18, 1958. I quote:

[Mr. Brassard (Lapointe).]

(Text):

In his address to the annual convention of the Saskatchewan Farmers Union Mr. Harkness, the Minister of Agriculture, touched on the question of reducing production. He was throwing out a strong hint when he said: "I feel that some voluntary reduction of wheat acreage in favour of diversification should be undertaken to relieve congestion in the wheat trade." Arguing in favour of this suggestion he went on to state: "In these days of a semi-controlled economy it seems natural to suggest that control be exercised at the producing level as well as at the marketing level, for it is at the production level that alternatives exist."

Mr. Harkness has been giving air to these similar sentiments off and on for some time. It is no exaggeration on our part when we say that we see in this an appalling state of affairs. It indicates a total lack of understanding of world conditions as they exist now. This in a minister of the crown, a leading member of the Diefenbaker cabinet, is a very serious matter.

One wonders whether Mr. Harkness realizes that he is taking direct issue with his own leader when he proposes restricting production? Perhaps it will refresh his memory if we quote again the remarks made by Mr. Diefenbaker when he opened the Saskatoon exhibition after his first victory at the polls last year. The new Prime Minister then said:

"To those who think that in agriculture we have arrived at a point where we need no longer expand I say to you this:"—

And you know, Mr. Speaker, that the Prime Minister is a very good orator.

"—I learned one lesson at the commonwealth conference in London. We must expand our agricultural development.

"With one quarter of the world's population going to bed hungry at night methods must be found to enable the distribution of our surpluses to the end that happiness will come to the peoples of the world.

"Together we must preserve the peace of the world and hold ourselves through agriculture as a bulwark against communism."

Who speaks for the government, Mr. Harkness arguing for restriction or Mr. Diefenbaker advocating expansion?—

Yet Mr. Harkness talks of restriction. Let him read these further words of his leader. Speaking in New York on the eve of his departure on his world tour Mr. Diefenbaker said:

"The great triangle of nations—Great Britain, the United States and Canada—must join with others of like mind in a common effort to assure new hope for the betterment of peoples who have been disfranchised from the bounties of providence.

"It is a primary duty to be our brother's keeper to those underdeveloped areas of the world and to give aid, both economic and technical, so that the gulf between their living standards and ours shall become narrower.

"Since we in North America are blest with more than our share of the good things of life we have an overriding mandate in that we must help those who have less."—

And Mr. Harkness wants to reduce production! How can he win with plenty if he deliberately promotes scarcity? How can he eradicate want in needy countries unless he can devise acceptable methods of distributing food to those who haven't ready cash? Mr. Harkness and his colleagues have a lot to learn before they catch up with and fully understand the policies enunciated by their leader.

(Translation):

Mr. Speaker, we fully support the policy advocated by the right hon. Prime Minister when he said he wanted to assist underdeveloped countries where people by the thousands die of starvation. I wonder however, if we will ever hear in this house some members from the province of Quebec—and I say this without bias or malice—speak in support of this policy of assisting within our means the underdeveloped countries.

In the province of Quebec there are many people—I will not mention any of them—who speak against communism. In my opinion, one of the most effective measures to fight communism is to close the door to communist countries with regard to their possible influence in the countries which are not yet open to that influence.

I hope that the members from the province of Quebec who will speak after us in this debate on the address in reply to the speech from the throne will clearly express their views on the matter.

May I be allowed also to say a few words about dominion-provincial relations. I followed quite closely, and you will easily understand why, Mr. Speaker, the electoral campaign of 1957. Shortly after the people of Canada had clearly expressed their opinion about the government they wanted, an outstanding member of the Liberal party compiled the promises made by the right hon. Prime Minister throughout the country when he was touring the ten provinces to canvass for the votes of the Canadians at the election of June 10. He spoke with eloquence—everybody knows it—in the ten provinces of this country. He dealt with every subject. He committed himself. He committed himself, I repeat, in many fields. He staked his name. He even committed the future Prime Minister of this country—of course he did not know at the time who it would be, otherwise he would not have spoken so much. He committed the future Prime Minister of this country in many fields of politics. He spoke especially and repeatedly about dominion-provincial relations.

I should like to quote, for instance, what he said in April 1957—on the 25th to be more precise—in Toronto. His speech was published in the Montreal *Star* of April 26, 1957. According to the Montreal *Star* he said:

(Text):

There could not be national unity if the provinces were handcuffed by inadequate sources of revenue, with several of the provinces unable to discharge their constitutional responsibilities and promote the development of natural resources. A Conservative-organized dominion-provincial conference would settle this problem in a spirit of unity, amity, and with good will, tolerance and respect.

(Translation):

He has travelled throughout the country. His colleagues have also travelled in many provinces assuring that if a Conservative government came into power, the matter of federal-provincial relations would be settled once and for all. What happened after the elections? I must admit that a federal-provincial conference was convened. The Minister of Finance (Mr. Fleming) was there; I don't know whether he was tired, but he was there. The Prime Minister was there. They listened to the claims of the various provinces and what did the Minister of Finance have to say after hearing the claims of premiers. He said: You ask an enormous increase in the amount you are getting. You are to go back home, we are going to study your suggestions, and we shall call another federal-provincial conference for the beginning of 1958.

What happened. Oh, in the very first months of 1958, the Minister of Finance sent a telegram to all provincial treasurers, outlining the terms offered by the federal government to the provinces regarding fiscal matters. There has been no other federal-provincial conference, yet the Minister of Finance had definitely promised that there would be another one at the beginning of 1958. The Minister of Finance and the Prime Minister, as well as all their colleagues, were secretly plotting something else. They were plotting another election.

I am not blaming them because they did not have a sufficient majority to speak with authority in the house. But why not say so to the people, why make promises when you know beforehand that you cannot fulfill them? I realize that the Conservative government was not able to keep its promises. What I do not understand as easily is that at the present time, it does not even think of convening the representatives of the provinces to discuss fiscal problems. It could also take this opportunity to discuss unemployment.

The speech from the throne dashed all our hopes in that respect. The provinces were asked to show understanding in fiscal matters. The Prime Minister informed us that he had written to the provincial premiers to tell them that they had to co-operate in the study of that problem. Such a request is contained in the last speech from the throne. And I am positive that there will be legislation laid before the house to ask us to approve of the ideas of the cabinet concerning the extension for a further year of the dominion-provincial agreements. But why doesn't the cabinet or

the government simply tell us the plain truth about it? They do not specify why they do not intend to call a meeting of representatives of the provinces in Ottawa this year. And if the Prime Minister intends to call such a meeting, being so jealous personally of the prerogatives and rights of parliament in every field, why does he not say so? It is a fact that the Prime Minister, with his strong voice, his gestures and his personality, has convinced the Canadian people that the Liberal government had not done justice to the opposition when the Conservatives were sitting on this side. Why does the Conservative government not give the example today by saying why it has no intention of asking provincial governments to examine our problems? He could also call a conference to look into the matter of unemployment. I do not wish to play politics with unemployment. Too many members in this house use this calamity to play politics.

Mr. Speaker, I hear our hon. opponents applaud my statement that too many members in the house try to play politics with unemployment. I believe—and you can applaud again—I believe that we should consider the question of unemployment from a human point of view and try to find a solution.

I listened very carefully to the hon. Minister of Labour (Mr. Starr) when he spoke today. He is a man I admire and for whom I have great regard. He tries to consider the problem and find a solution, but at the same time he blames the opposition for not offering any suggestion. But, is the Conservative cabinet made up of a group of ministers who work only on suggestions from the opposition? They are there precisely to work and to find solutions. The Diefenbaker cabinet is responsible for the administration of our country's affairs. They are the ones who went to the people and said: "We have problems in this country; you elect us and we shall solve them". Once in office, the Conservatives want the opposition to find every solution for them. To be honest I must say that the Minister of Labour and a few of his colleagues did try in vain to find solutions, but they did not solve the problem. Unemployment is still here and I believe we should find a solution to the unemployment situation in Canada. There is such a thing as the dominion bureau of statistics, the D.B.S. There is a big difference between figures released by the D.B.S. and those provided by employment offices throughout the country. I know from experience—I have never been Minister of Labour and I shall never be, thank heaven for our people—but I know from experience that the Minister of Labour is in possession of statistics which are much higher than those given by the dominion bureau of statistics. I was a civil servant before becoming a lowly member of parliament, and I know that those statistics are much more alarming than those published by the dominion bureau of statistics. I shall not quote any figure, though the figure is known to me. But when one looks at the number of persons without jobs or looking for one throughout the country, it is something appalling, something pitiful. There are not only people seekings jobs, not only thousands of people receiving unemployment insurance benefits, not to mention the few thousands who are not even receiving such benefits, but there are all those who are depending on their father or mother, and who are receiving absolutely nothing. At this stage, I might as well add a word about my constituency. The Aluminum Company of Canada, whose main plant is in Arvida, has twice reduced its working staff by 10 per cent. There are also, in my constituency, two mills operated by Price Brothers. They have now reduced the work week to between 24 and 32 hours.

Those are the only two basic industries in the constituency of Lapointe. We have lost part of the British market and part of the French market for aluminum. England, which I deeply respect as a country, is the mother country of a great number of my fellow-citizens as France is the mother country of a great number of my fellow-citizens too. England is part of the commonwealth, but it buys part of its aluminum from Russia, which doubtlessly is also part of the commonwealth of nations. I find this situation painful. I am all for helping our two mother countries, France and England. We are making sacrifices to help other nations in many fields, and I would mention NATO as only one example. But why, when the time comes to reciprocate, why is no consideration given to the sacrifices we have made?

Mr. Speaker, having been myself a civil servant under the former Liberal administration—it is perhaps for that reason that we were defeated—I am fully aware of the sacrifices that Canada has made for England and France. As I said a moment ago, these two countries are our mother countries, and I know that we must help them. But why do they not take into account what we have done for them? If cuts in personnel had to be made in the Arvida aluminum company, I think it is due to the fact that we have lost a great part of our external trade with the English and the French.

The same situation obtains with regard to paper. We used to sell much of our paper to the United States, but thanks to the very friendly policy of the Conservatives towards the United States, we lost a part of our U.S. paper market.

Mr. Speaker, the Conservatives are logical people—I do not ask you to applaud, because you will be disappointed if you do—they are a tremendously logical lot!

In the field of trade, for instance—and I said it here myself last year—in the course of the last election campaign, the Conservatives, led by the Prime Minister, kicked the American government—and I hope that this time the *Canadian Press* will not mistranslate words.

What have the Conservatives done in the field of defence? After kicking Americans in the pants, they kissed them on both cheeks. They entrusted to an American citizen the integrated defence of Canada and the United States. I am not criticizing the fact that we have entrusted our integrated defence to General Partridge. I am only blaming the inconsistency of their conduct. In the field of trade, we kick them in the pants and in the field of defence we kiss them on both cheeks. That is a typical example of the tremendous logic of the Conservative government which is governing or perhaps I should say ruling us at this time.

Not only in this field have the Conservatives given us a truly magnificent show of consistency. You will recall, Mr. Speaker, the speeches made in 1957 by the right hon. Prime Minister and by the Minister of National Defence (Mr. Pearkes). I note that the latter is now using his interpretation earphone. You will recall that the Minister of National Defence promised to cut down the defence appropriation by $500 million. That department, in his view, was running into staggering expenditures that were not justified. That was his position before the elections. What happened after June 10? There was a conference in London, and my hon. friend the Minister of National Defence attended this conference with the Prime Minister. No sooner had he returned to Ottawa than press reporters, who quite naturally are always on the look-out for news, hastened to query our distinguished Minister of National Defence. He was asked then if he intended to implement the promise that was made of reducing defence expenditures by $500 million. The minister, who was arriving from London, replied that this was impossible. He excused himself on the grounds that the blame must always be put on the Liberals—that he never had enough information when he sat on this side of the house and that the promise that had been made was due in part—he did not use the word ignorance, but it looked like that—to a lack of information. Consequently, taxes were reduced by $225 million, instead of the promised $500 million.

Mr. Speaker, it is by making promises of this kind to the people, and by not implementing them, that one convinces people that politicians are all birds of a feather, whether they are "blue" or "red", that they are men who say one thing during the election campaign and who act differently once they sit on the government side.

I wanted to direct some remarks to another hon. gentleman but, unfortunately, he is not here at the moment. I refer to the Postmaster General (Mr. Hamilton). Before I became a member of parliament, as I was saying, Mr. Speaker, I used to sit—

(Text):

Mr. Joseph Slogan (Springfield): Mr. Speaker, it is with a profound feeling of humility that I take my seat in the House of Commons. I have hardly thawed out as yet from the deep freeze by-election. I am rising in this great council of Canada for the first time and I should like to extend to you, sir, and to all members in this house the sincere best wishes and greetings of all the people of Springfield. You, sir, execute your duties in that manner of impartiality and restraint that adds dignity to your high office and inspires respect from both sides of this house.

I should also like to express my sincere congratulations to the hon. member for Provencher (Mr. Jorgenson); my neighbouring constituency; and to my neighbour in the house, the hon. member for Montmagny-L'Islet (Mr. Fortin). Both of these hon. gentlemen made masterly speeches in moving and seconding the motion for an address in reply to the speech from the throne. I should also like to extend my congratulations to the hon. member for Grenville-Dundas (Mrs. Casselman) and to the hon. member for Trinity (Mr. Hellyer) on their victories.

I should also like to join with the hon. member for Marquette (Mr. Mandziuk), who

drew to the attention of the house today the fact that this is the fortieth anniversary of the declaration of independence by the Ukraine. As you know, sir, my forebears came from that country and it is indeed fitting that I should make my debut in the house on this day.

I am here only as the medium through which the people of Springfield expressed their confidence in our great leader, the Prime Minister (Mr. Diefenbaker) and in the policies which this government has implemented, especially the agricultural policies. Therefore, I should like to express my gratitude to the people of Springfield for placing their trust in this government. Those people of all nationalities, religions, political affiliations and stations in life now place their faith in me to present their cause in this house and to offer leadership on their behalf. My only hope is that both in and out of this house I may justify that trust and earn that respect that is accorded to all members of parliament who dedicate themselves humbly and sincerely to the service of the principles of democracy.

In those principles we have a rich heritage. It took men of vision, courage and conviction to crystallize that heritage; it took statesmanship, diplomacy, and years of struggle. By that struggle our fathers of confederation conceived a new nation, uniting two languages and two creeds, and dedicated to the principles of unity, equality, opportunity and freedom. Today the familiar words of those men and of those who passed before them and their deeds are seldom heard and even less appreciated.

Springfield is a relatively new constituency, Mr. Speaker, having been created in 1914 and altered in 1924. It boasted only one Conservative representative in its history, Tom Hay, who was first elected in 1925, until our late member, Val Yacula, won it in 1958. Mr. Yacula was a quiet man who did a good job. In his memory I wish merely to quote a few words by Lord Baldwin:

> A few years, and the voices of those addressing the house today will be silent, too. A few more years and their voices will be forgotten. But the character and the spirit remain to fortify the coming generations and to illuminate their paths.

I am proud to represent Springfield, because Springfield is a large, diversified and cosmopolitan constituency. Our people range from native Indians and metis, to the descendants of the Selkirk settlers. But the majority are the colourful people of European descent who colonized the area at the turn of the century. I say "colonized" deliberately, because still today we have villages that are distinctly Ukrainian, Polish, French and German and others. Today, as time marches on and new generations are conceived, there is emerging by interaction and intermarriage that brand of distinct Canadianism, tolerant and stable of character, of which we are all so proud, each with a different and distinct background, each with a common dedication of loyalty and devotion to this country.

As I pass among the pioneers of Springfield, I see that time takes its toll. I see less and less of those gnarled hands, those deeply etched faces, those stooped backs of those hardy people, often illiterate, who were dumped off the C.P.R. at East Selkirk in their sheepskin coats, with nothing but their love of the land and enthusiasm for hard work. They did not think of themselves; they thought of the future. They were not ambitious for themselves but for the future generations. They carved a civilization out of the wilderness. But, more important still, they carved their brand, that sterling character of pioneering Canadianism that was instilled in their children and has carried them to respected positions of leadership on the broad frontiers of the world today. That inherent quality is emerging from an amorphous mass and crystallizing into a distinct Canadianism. I hope, Mr. Speaker, that those pious pioneers will find in their afterlife the peace and rewards that were never theirs on earth.

Springfield stretches from the metropolis of Winnipeg to the barren and inaccessible expanse of the pre-Cambrian shield in the north. In the bosom of these rocks lies the great wealth of gold, chrome, beryllium, nickel and other metals. We in Springfield share the vision of the north. We have placed our faith in men like our Minister of Northern Affairs and National Resources (Mr. Hamilton), a hard-working minister whose efforts are often unrecognized and even less appreciated. At Bissett we have a thriving gold-mining community. In those northern areas there are also many trappers. Along lake Winnipeg we have a large commercial fishing industry which is being faced with grave and trying times by conditions in the lake and problems of marketing. I am

sure all hon. members know of and have tasted the famous lake Winnipeg goldeye.

At Victoria Beach and Bird's Hill and at other areas we have a multi-million dollar mink-farming industry. At Pine Falls we have a pulp and paper industry which employs 550 people and whose payroll is $2,500,000 annually. Nearly all the power generated in Manitoba is generated within Springfield along the Winnipeg river. At the present time we are constructing a great steam power plant in the town of East Selkirk, which will be converted to an atomic power plant as soon as it is feasible. We have at Lac Du Bonnet, our gateway to the north, an aeroplane and seaplane base. This town has an annual retail sales turnover of over $2 million. It has seven small industries in its vicinity, including the wild rice industry and granite quarries. We have the famous limestone quarries at Tyndall and Garson. Just east of these towns we have Beausejour, which is the principal town in the constituency.

At Molson we have a big peat moss industry. In Springfield lies a great part of Manitoba's playgrounds. At Grand Beach we have beautiful white sand hills and in the Whiteshell area we have numerous resorts. We have hundreds of lakes and streams where sportsmen can enjoy the thrill of game fish and there is good hunting in our forests. We have a large oil refinery at East St. Paul, and we have numerous small industries and businesses.

But the welfare of Springfield as a whole depends upon agriculture. We have market gardening, mixed farming and grain growing, and the problems of agriculture are particularly pressing in my constituency because the farms are relatively small and therefore the cost-price squeeze bears more heavily upon us.

May I say that now we are going through the throes of an agricultural revolution very similar to the industrial revolution that other countries went through earlier. We appreciate the actions of the government with regard to agriculture. For the first time in history a policy of bumbling and fumbling has been replaced with a national policy for agriculture. We recognize the problem of the cost-price squeeze, the variability of crops from year to year due to weather conditions and fluctuations of price due to world markets and world conditions.

Our policy is a practical and workable one. Already the government has brought in the price stabilization act, increased farm credit, introduced cash advances, which C. D. Howe said would wreck the wheat board, amended the Prairie Farm Assistance Act, initiated higher rates of compensation for cattle slaughtered due to contagious diseases and commenced the South Saskatchewan river dam after years of promises by the Liberals.

In this session we are looking with anticipation to the legislation on farm credit and crop insurance. But there are a few matters that are of grave concern to my constituents and there are some things which I should like to commend to the attention of the ministers. To the Minister of Finance (Mr. Fleming) I wish to commend the extension to Manitoba and the western provinces of import controls which have been implemented in the maritimes against United States potatoes. To the Minister of Agriculture (Mr. Harkness) I wish to commend the initiation of payment for farm storage of grain. It is only fair that in a time of surplus the farmer be paid for storing his grain rather than having the money go to warehouses and elevators at a cost of some one cent per bushel every thirty-five days.

I recommend that the farmers be allowed to load their own grain directly into box cars rather than having it go through an elevator at a cost of some four and a half cents per bushel to the farmer. These are not new ideas as they were first adopted by Dr. Manion and the Conservative party in the Regina manifesto of 1940. However, I shall present my arguments on these matters at a more appropriate time.

I have visited the various areas of Springfield. I have listened to the many problems of my constituents and my duty now is to do my utmost on their behalf. This I shall do, Mr. Speaker, through the proper channels as, unlike one of our former members, I do not want to be charged with talking my way right out of parliament in the same way, indeed, as the C.C.F. talked themselves out of the by-election in my constituency.

I feel very much at home in this chamber and this building because I have only to look at the walls about me to notice that distinctive and beautiful Tyndall stone that comes from Springfield. Indeed, in walking through the hall of honour and the hall of confederation I have noted that the main pillar which symbolizes the unity of confederation and the strength of Canada is constructed of that stone. I owe some thanks for my election to Tyndall stone. I did not allow the Liberals to forget that they had wasted a lot of money on the public printing bureau and, indeed, they had wasted a great deal of money on importing stone all the way from Virginia for that building, when they could have used the finest building stone on

the continent, Tyndall stone from Springfield. Yet the Liberals wonder why imports from the United States are going down. It must inspire a sense of guilt in the members of Her Majesty's loyal opposition each time they look at the walls of this chamber and each time the Liberals come into Springfield in the future and lament their attitudes, platitudes, and beatitudes, to the good people of Springfield I am sure they will blush a little for their betrayal of the people of Springfield and for having so little pride in the products of Canada. At this time, Mr. Speaker, I must also commend Tyndall stone to the Minister of Public Works (Mr. Green).

I come now to the opposition. I commend the Leader of the Opposition (Mr. Pearson) for a fighting speech and, of course, no member from Springfield ever shirked a fight. I have watched the members of the opposition very carefully, and there is at least one member of that group who qualifies to be called a politician. As you know, Mr. Speaker, a politician is a person who approaches every situation with an open mouth. Indeed, this member seems to have contracted foot-and-mouth disease as well.

I should like at this time to make a few observations regarding the by-election in Springfield. I recall the hon. member for Kenora-Rainy River (Mr. Benidickson) finding himself one night upside down in a ditch and, indeed, the Liberal party took an inverted position throughout the by-election. I am sure it brings no comfort to the Leader of the Opposition to know that one of their former Liberal members of parliament contested the Conservative nomination.

Mr. Pickersgill: You can have him.

Mr. Slogan: I am sure that the former Liberal premier of Manitoba, who spent most of his time during the election repairing political fences in Springfield when he was not in the ditch himself, found no comfort when he saw that one of the former Liberal members of the legislature was also on our side in the campaign. I am sure that the Leader of the Opposition gets little comfort from reading such articles as the Canadian Press dispatch of February 27, 1958, which reported that Mr. Ben Nobleman, vice-president of Trinity riding association, had resigned from the Liberal party and would support the Conservatives. I should like to quote the following from the dispatch:

> He said he attended the Liberal convention in the hope that grass roots opinion would be heard but "came back greatly disappointed".
>
> "Since returning from Ottawa I have been given the deep freeze apparently for daring to express my opinions. My role as first vice-president is rather farcical for I have not been consulted on any matters for the past month."

Mr. Hellyer: I am sure the hon. member would like to know that the poor disillusioned man would now like to come back to us.

Some hon. Members: Order.

An hon. Member: Is that your maiden speech?

Mr. Slogan: I am sure the Leader of the Opposition would like to know that several young Liberals have spoken to me and expressed their envy of the young Conservatives because they say that they do not have the same freedom of expression which we seem to have. I think it is this attitude on the part of young people all across Canada which has contributed to the large number of young members on this side of the house. I have been very active myself in the young Conservative organization and also as national president of the Progressive Conservative Student Federation. I have only mentioned this matter to ask the Leader of the Opposition to give the young people of his party a chance.

Earlier in the debate the Leader of the Opposition said that in some respects the Liberals and the C.C.F. may find themselves in some measure of agreement. Indeed, Mr. Speaker, the position of both parties is so weak that they may find themselves soon in a position of more than agreement. I should like to quote from an article that appeared in the Winnipeg *Free Press* of February 27, 1958. The article is headed, "Speakers Link C.C.F. With Tyranny." The dispatch comes from Regina and reads in part as follows:

> Two speakers linked the C.C.F. with communism Tuesday as the throne speech debate continued in the Saskatchewan legislature.

Both these speakers were Liberal members of the legislature. The article goes on to say:

> Mr. Barrie said no one admires what has gone on behind the iron curtain and under Hitler and Mussolini, "but we have had it in Saskatchewan and Canada for 25 years—they are celebrating the 25th anniversary of the C.C.F. this year".
>
> Since its formation the C.C.F. had used the same methods of infiltration to gain control, including infiltration of non-political bodies.
>
> Look at school boards, municipal councils, co-operatives and even church organizations.

Let me go back to the young people of Canada to see what is prevailing in the other political parties. I should like to quote an article appearing on the front page of the Winnipeg *Free Press* of December 13. I hesitate to bring this matter up because it concerns my own alma mater, and a matter that has recently been settled, in some measure, due to the good offices of our Minister of Trade and Commerce (Mr. Churchill). This article is headed 'Young C.C.F.er Charges Cynical Group Engineered Crowe Issue". It reads:

A leader in the C.C.F. youth movement says a "phony issue" has been created out of the case of Professor Harry Crowe because a small group wants to gain control of United college.

The Crowe affair, says Stuart Barber in a letter to C.C.F. provincial leader Lloyd Stinson, has been used as a "cloak" by this group to cover its "own brand of cynical bitter socialism".

The letter urges the C.C.F. party publicly dissociate itself from "the activities of some C.C.F. supporters" at the college.

Mr. Barber, a fourth year law student at the University of Manitoba, is a former leader of the university C.C.F. group and a graduate of United. He was this year's speaker of the university mock parliament.

I should like to quote a few lines from his letter because I think it demonstrates the sincerity of his belief in that party:

As you know, I believe that true democratic socialism can bring the greatest measure of happiness and justice to the people of Canada and the world. Indeed, I hope to devote some part of my life in working for the objectives of the C.C.F. movement.

What did the leader of the C.C.F. say after he received this letter? He disowned this sincere and critical young man by saying that Mr. Barbour did not have a membership card in the C.C.F. party. Well, sir, things are pretty tough for young people in these parties.

I should like to quote a few words from what Stanley Knowles said of the Liberals on December 17 just after the Springfield by-election. He said:

The Liberals are dead but they won't lie down. They can gasp a few more times before they finally die.

In the Winnipeg *Tribune* of December 8, 1958 the hon. member for Essex East (Mr. Martin) is reported as having said this:

The C.C.F. is a party which is not going to be in existence in a year and a half. By its own admission it is a dying, if not already dead, party.

At least, Mr. Speaker, these two parties think alike. Both of these tired old parties, which revel in the past and depression, conjured up the ghost of R. B. Bennett. They went about Springfield haunting the people, as indeed some members have been haunting the chamber today. However, they found the people of Springfield do not frighten easily. Indeed, the only ghosts about today are the ghosts of those members of the opposition whom the people of Canada have sent to a happier haunting ground. In fact, we have one lone member of the opposition from the three prairie provinces.

I merely bring these facts out to indicate to the opposition parties that we are aware of their plight and that we sympathize with them.

Mr. Mitchell: You are funny; you should be with Wayne and Shuster.

Mr. Slogan: Coming back to the speech of the Leader of the Opposition, I should say I enjoyed listening to him talk for the speech was subtle in substance and fickle in fact. The hon. member for Assiniboia (Mr. Argue) attacked our policy of positives with a nattering of negatives. Both these hon. members showed an obsession with recession and opposition without proposition. It is obvious from the speech from the throne that the motto of this government is progress not perdition, initiation not procrastination, legislation not agitation.

Now, Mr. Speaker, I hope that anything I have said will in no way be taken as a personal reflection upon any member, as it was not meant to be such.

I should like now to make some further observations. As I stand here, I cannot help but realize how great and diversified a country we represent. I realize that no matter how cosmopolitan we try to be, we feel a duty to defend our own provincial cause. But more than anything else in this chamber we learn to appreciate each other's point of view, for we can see the underlying unity in our diversity. As we meet today, we stand on the threshold of new frontiers, the frontier of the north, the frontier of the shrinking world and the frontier of outer space. Sir Winston Churchill said, in accepting the Nobel prize a few years ago, and I quote:

Today more than ever in history, events have dwarfed personalities.

Mr. Speaker, the destiny of nations lies in the personality of men. Today we are living through the pages of history. Today demand for leadership is as great as it ever was. Today, more than ever before, we need men of vision, of courage, conviction and perseverance like the father of the fathers of confederation, Sir John A. Macdonald. It was a Conservative government that bound this country together with the iron ties of he Canadian Pacific Railway against a defeatist opposition that ridiculed our policy as wigwam to wigwam. What Sir John A. Macdonald bound together no man has yet been able to pull asunder. The Conservative party has written the brightest pages of Canada's history in the past. The Conservative party will write the brightest pages of Canada's history in the future because it is to this task that our leader and our members are dedicated, as indeed all members of this house are dedicated.

The hour of 10 o'clock having arrived, Mr. Speaker, I should like to adjourn the debate.

On motion of Mr. Slogan, the debate was adjourned.

At 10 o'clock the house adjourned, without question put, pursuant to standing order.

Question

ANSWER TO QUESTION

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

RAILWAY GRADE CROSSING FUND

Question No. 16—**Mr. Chevrier:**

1. What were the expenditures from the railway grade crossing fund from and including April 1, 1958 to December 31, 1958 inclusive?
2. What were the commitments of the railway grade crossing fund outstanding at 31st December, 1958?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. $3,165,399.34.
2. $19,118,405.01.

HOUSE OF COMMONS

Friday, January 23, 1959

The house met at 11 a.m.

PRIVILEGE

MR. PEARSON—DISTRIBUTION OF "CANADIAN ECONOMIC OUTLOOK FOR 1958" BY LIBERAL PARTY

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege. On Friday, January 16 at 2.30 p.m. the Minister of Trade and Commerce (Mr. Churchill) tabled two copies of the document "Canadian Economic Outlook for 1958". This was done before the exchange between the Prime Minister and myself on this matter. On January 20 I asked the Minister of Trade and Commerce whether he would make additional copies, or some copies, of this report available to hon. members of the House of Commons and to the press gallery. The minister replied, and I quote from page 75 of *Hansard* of that date:

—it is just impossible to accede to the hon. member's request.

I consider the refusal of these additional copies to the members of the House of Commons to be a breach of privilege and, to the press gallery, a discourtesy. In order to repair that omission, Mr. Speaker, at my request the national Liberal federation reproduced 400 copies of this document, which are available to members of the house and members of the press gallery.

HOUSE OF COMMONS

WELCOME TO VISITORS IN GALLERY FROM INDIA

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, if the house will allow me I should like to refer to the fact that in the gallery today are Shri S. V. Krishnamoorthy Rao, M.P., deputy chairman of the Rajya Sabha, council of states or upper house of the Indian parliament, and Dr. the Hon. U. Krishna Rau, M.L.A., Speaker of the Madras legislative assembly. They have been attending the general council meetings of the commonwealth parliamentary association in the Barbados and have come to Ottawa to meet Canadian parliamentarians and see something of the Canadian parliament in action.

I should like, sir, to invite the Leader of the Opposition (Mr. Pearson) to join with me in extending to them a warm welcome, and at the same time ask them to convey not only to the parliament of India and the legislature of Madras but generally to the Indian people, cordial greetings from the parliament of Canada.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, on behalf of our party I should like to join the Prime Minister in the welcome he has extended to our fellow legislators from another country in our commonwealth of nations, and I do so not merely because of the fact that they represent India nor because of their own qualifications, but because we are very conscious that only a short time ago the parliament of India gave a very warm welcome to our own Prime Minister, as they had done some years before to his predecessor.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on behalf of this group I wish to say that we most heartily and sincerely endorse the words expressed by the Prime Minister and the leader of the official opposition.

LATE DISTRIBUTION OF "HANSARD"—SIMULTANEOUS TRANSLATION SYSTEM

Mr. Speaker: May I say I am sorry that *Hansard* was not here in time to be distributed. It is being distributed by the pages now. I hope hon. members will leave their copies on their desks so the page boys may put them in the files afterwards.

Another item of business of the house I would like to mention is that it would be very helpful in the operation of the new sound equipment if members would turn down the volume of their ear phones when they are not using them. If they are left on full and the members leave the chamber the ear phones continue to operate, and sometimes they can be heard for a distance of several feet. If many of the ear phones are left on they make a buzz in the house that interrupts the debate. It would be very helpful if hon. members when they are in the house and are not using their ear phones, or when they leave the house, would pull the ear phone out of the plug or turn down the rheostat.

Inquiries of the Ministry

ST. LAWRENCE SEAWAY

STATEMENT ON UPSTREAM CHANNEL DEPTHS

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Tuesday last the hon. member for Port Arthur (Mr. Fisher) asked for information regarding channel depths between the Welland canal and the head of the lakes. I told him I would get that information for him. Since I believe there is general interest in this matter, I should like to give a very brief report now.

The United States corps of engineers continues to assume responsibility for the deepening in the channels upstream from the Welland canal. The limiting depth from the Welland canal to lake Superior is 21 feet in the upbound channel at Amherstburg; the downbound channel at that point has a depth of 25 feet. The Detroit river dredging is expected to be completed in 1960 to a depth of 25 feet, which will provide a draft of 23 feet.

Dredging is in progress in the St. Mary's river, but until completion about 1962, the existing depth of 21 feet for upbound navigation and 25 feet for downbound navigation will remain in effect. The deepening to regular seaway standards—that is, over-all depth to 27 feet—is scheduled for 1963 in all channels.

TRADE

ALCAN—POSSIBLE PROSECUTION OF U.S. DIRECTORS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Minister of Trade and Commerce whether his attention has been drawn to a report from Washington that a United States official has refused to give an assurance that United States directors of the Aluminum Company of Canada would not be prosecuted under the trading with red China law if that Canadian company sold aluminum to China.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I have not seen the article to which the hon. member has referred, but I thank him for drawing my attention to it.

WATER RESOURCES

CHICAGO DIVERSION—INQUIRY AS TO OBJECTION TO U.S. LEGISLATION

On the orders of the day:

Mr. J. W. Murphy (Lambton West): Mr. Speaker, by way of clarification I should like to direct a question to the Secretary of State for External Affairs arising out of the question of the Leader of the Opposition to the minister on Wednesday dealing with the diversion of water from lake Michigan at Chicago. My question is, did the Canadian government raise any objection to the bill concerning the Chicago diversion which was before the United States congress last year?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for giving me notice of his question. I must emphasize in reply that the Canadian government did make lengthy representations in writing which are contained in an aide memoire to the United States Department of State of January 6, 1958 and which, as I said on Wednesday, was tabled in this house on August 2, 1958.

The aide-memoire registered the serious and deep concern of the government with respect to the injurious consequences which would result from any considerable diversion of water from the great lakes system.

Mr. Pearson: Did the particular note to which my hon. friend refers express objection to the passage of this particular bill?

Mr. Smith (Hastings-Frontenac): It did, sir; in essence it did.

LABOUR CONDITIONS

MONTREAL—STATEMENT ON GOVERNMENT ACTION TO RELIEVE UNEMPLOYMENT

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, yesterday the hon. member for Dollard (Mr. Rouleau) asked me a question regarding municipal incentive programs in the province of Quebec, and particularly with respect to Montreal. In the answer I gave I regret that I possibly caused him some discomfort or embarrassment. I was informed that the province of Quebec had some 100 projects submitted by various municipalities in that province. Some of these have already been processed and approved by the federal government. However, since then I have been informed that while the city of Montreal submitted a number of projects to the provincial government amounting to some $8 million, they were not submitted on the proper forms. The province of Quebec has returned them to Montreal in order that they may list them on the proper forms, and I understand that is being done now.

BUREAU OF STATISTICS UNEMPLOYMENT FIGURES FOR 1955 AND 1958

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Labour if he would now give to

the house the figures I asked for yesterday—I refer to the dominion bureau of statistics figures—for total unemployment for December of 1958 and for December of 1955.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the figure for December, 1958 is, of course, 440,000. The figure for December, 1955 is 200,000. When I referred to unemployment in 1955 I referred to the period in March, 1955 when the figure was 403,000.

Mr. Pickersgill: In order to complete the figures, would the hon. gentleman give us the figure for March, 1958?

Mr. Starr: Mr. Speaker, it is well known to the hon. gentleman but I will repeat it to him in case he has not heard it. It is 590,000.

Mr. Pickersgill: Exactly. It proves that the statement the minister made was wrong.

Mr. Fleming (Eglinton): The hon. gentleman wants to waste the time of the house.

COAL

NOVA SCOTIA—RECOMMENDATIONS BY AVRO RESPECTING PRODUCTION CUT-BACKS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I should like to direct a question to the Minister of Mines and Technical Surveys. Is the minister in a position to confirm a statement of the mayor of Sydney Mills, an ex-member of the coal board, that three months ago A. V. Roe of Canada submitted recommendations to the dominion coal board designed to alleviate prospective cut-backs in the Nova Scotia coal industry, but the board has not dealt with them?

(Translation):

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, as I previously indicated, we have had representations from the dominion coal board, or rather from Dosco, in connection with coal production and the assistance which the government might provide. I have already told the hon. member, and I now repeat, that the matter is being considered and that we have had no official notice from the company regarding any staff reductions or production cut-backs.

(Text):

Mr. Robichaud: Will the minister explain to the house why there are no representatives from Nova Scotia on the dominion coal board?

(Translation):

Mr. Comtois: Mr. Speaker, the matter was also referred to the dominion coal board, and I understand that Mr. Hartigan, the former director, will be replaced shortly.

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

MONTREAL—REPORTED MARCH ON OTTAWA BY PRODUCERS ASSOCIATION

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I direct a question to the Minister of National Revenue (Mr. Nowlan)?

According to yesterday morning papers, the Montreal T.V. producers are planning to come to Ottawa next Tuesday to submit their grievances to the Minister of National Revenue who reports for the C.B.C.; could the minister tell us whether he proposes to meet that delegation?

(Text):

Mr. Speaker: Order. The hon. member will appreciate that he is asking a hypothetical question, namely that if a certain event takes place what will the minister do, and I think he might await the event rather than ask for a decision in advance with regard to something that has not yet occurred.

(Translation):

Mr. Denis: Mr. Speaker, may I put my question differently and ask the hon. Minister of National Revenue whether the striking C.B.C. producers have asked him to meet them next Tuesday?

(Text):

Hon. George C. Nowlan (Minister of National Revenue): The answer is no, Mr. Speaker. As far as I know, unless it has come in within the last hour or two, I do not have anything in my office about that.

(Translation):

Mr. H. Pit Lessard (St. Henry): In case the minister concerned is unable to meet the producers, could the government do so?

(Text):

Mr. Speaker: I am sorry, but I did not understand the hon. member's question. Will he repeat it?

(Translation):

Mr. Lessard: I should like, if I may, to direct my question to the Prime Minister. In the event of the minister concerned being unable to meet the producers who are coming here Tuesday, could the government do so?

(Text):

Mr. Speaker: I do not know whether or not the hon. member heard my remarks about the earlier question, but his question is in exactly the same category. In my opinion it is hypothetical.

Inquiries of the Ministry

Mr. Alexis Caron (Hull): May I ask a question on the same subject, Mr. Speaker. If the minister has not received any communication requesting an interview, has the Prime Minister or any member of the cabinet received one?

Mr. Speaker: Is the hon. member directing his question to a particular minister?

Mr. Caron: I am directing my question to the Prime Minister. If the Minister of National Revenue has not received any communication requesting an interview with the group of producers in Montreal, has the Prime Minister received any communication making such a request?

Right Hon. J. G. Diefenbaker (Prime Minister): I have no recollection of any such message having been received, Mr. Speaker. I am speaking from recollection now, but I think I would remember.

(Translation):

On the orders of the day:

Mr. Augustin Brassard (Lapointe): Mr. Speaker, may I direct a question to the Solicitor General (Mr. Balcer), as senior minister of the province of Quebec.

It is still on the same subject—in view of the breakdown of negotiations between the Montreal television producers and the C.B.C., does the Solicitor General propose to intervene either by approaching his colleagues or otherwise, in an attempt to find a solution to this conflict which has lasted long enough?

Hon. Leon Balcer (Solicitor General): Mr. Speaker, this situation is, of course, most regrettable. It is regretted by the people, by the ministers of the province of Quebec and all others. However, as everyone knows, this is a dispute between C.B.C. producers and C.B.C. authorities. Both the Minister of National Revenue, who reports to the house for the C.B.C., and the Minister of Labour (Mr. Starr), have very closely followed developments of the dispute. Unfortunately, under the circumstances, I cannot say how it will turn out, or what will happen. It would be mere conjecture and I do not know what we will be able to do in the circumstances. However, you may be assured that we are following developments very closely. We hope that on both sides common sense will prevail and that an agreement will eventually be reached so that the Canadian people, who foot the bill, may enjoy first-rate television programs.

[Mr. Speaker.]

POST OFFICE DEPARTMENT

ISSUE OF STAMPS COMMEMORATING BATTLE OF PLAINS OF ABRAHAM

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Postmaster General (Mr. Hamilton).

Could he say whether his department will issue a commemorative stamp to mark the second centenary of the battle of the Plains of Abraham?

Hon. W. M. Hamilton (Postmaster General): Yes, Mr. Speaker, we will have one.

(Text):

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—LIQUOR RIGHTS IN BRITISH COLUMBIA

On the orders of the day:

Mr. Frank Howard (Skeena): I have a question, sir, which I should like to direct to the Minister of Citizenship and Immigration. Unfortunately I have not given her notice of it, but it is something of which I am sure she will have immediate knowledge. I did not want her to think she was being neglected in this presentation of questions. I wonder if the minister has received from the government of British Columbia a request for federal cabinet approval for complete liquor rights for native Indians out there and, if so, what action is contemplated.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): No representations have yet reached my desk. If they are in the mail no doubt they will come forward in time. I have received nothing to date.

(Translation):

POSTAL SERVICE

INQUIRY AS TO RESTORATION OF TWICE-DAILY MAIL DELIVERY

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I direct a question to the hon. Postmaster General (Mr. Hamilton).

To help relieve unemployment, does the hon. minister propose to realize his dearest wish, that of restoring twice-daily mail delivery service?

Hon. W. M. Hamilton (Postmaster General): Not right now, Mr. Speaker.

An hon. Member: He has changed his mind.

(Text):

FISHERIES

SALMON—REQUEST FOR CHANGES IN MIRAMICHI DRIFT NET SEASON

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. Did the minister receive representations from the Miramichi salmon drifters association requesting changes in the Miramichi salmon drift net season? If the minister did receive such representations, will this matter be referred to the Atlantic salmon co-ordinating committee?

Hon. J. A. MacLean (Minister of Fisheries): I want to thank the hon. member for Northumberland-Miramichi for giving me notice of this question, which I received since coming into the house. I may say that such representations have been received. The normal procedure is that they will be referred to the Atlantic salmon co-ordinating committee.

PUBLIC BUILDINGS

NELSON, B.C.—INQUIRY AS TO CONSTRUCTION OF MOUNTED POLICE HEADQUARTERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Public Works. In view of the current unemployment situation in the city of Nelson, B.C. and the desire of a good number of persons to obtain employment, can the minister inform the house when construction of the proposed headquarters for the R.C.M.P. in that city will commence?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I have not had word within the last few days, but that contract has already been let and I believe work is already in progress.

NORTHERN AFFAIRS

ESKIMOS—REFERENCE TO ARTICLE IN "MACLEAN'S" MAGAZINE

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. I wonder whether the minister would care to comment on the article written by Farley Mowat and appearing in the current issue of *Maclean's* magazine, which article deals with government policy with respect to Eskimos in the north?

Mr. Speaker: Order. I suggest it is hardly appropriate to invite general comment on such a broad subject on the orders of the day.

Inquiries of the Ministry

SEARCH AND RESCUE

INQUIRY AS TO ESTABLISHMENT OF ATLANTIC COASTGUARD

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): Mr. Speaker, I wish to direct a question to the Minister of Transport. In view of the statement attributed to the Minister of Fisheries (Mr. MacLean) in the Halifax *Chronicle-Herald* of November 13, 1958, to the effect that the government is still considering the establishment of a coastguard for the Atlantic coast, can the Minister of Transport tell the house if action will be taken to establish such a coastguard at this session of parliament?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, this matter is still under consideration.

TRANSPORT

CHIGNECTO CANAL—REQUEST FOR REPORT ON COST SURVEY

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Transport. Is the minister now prepared to report to the house on the progress of the cost survey of the Chignecto canal to be undertaken by the Department of Public Works, as announced in this house on August 28 last, when he promised to report at a later date?

Hon. George H. Hees (Minister of Transport): The answer, Mr. Speaker, is no.

Mr. Robichaud: I have a supplementary question. Has the survey been undertaken?

Mr. Hees: The survey certainly has not been completed. I will confer with my colleague the Minister of Public Works to find out what is the position.

Mr. Robichaud: Has it been started?

Mr. Hees: I told the hon. member I would speak to my colleague. Perhaps the Minister of Public Works will answer now.

Hon. Howard C. Green (Minister of Public Works): If the hon. member will check his *Hansard* for last year I think he will find that I said a study had been undertaken by the department.

Mr. Robichaud: Is the Minister of Public Works prepared to report on the progress of that survey?

Mr. Green: No.

Inquiries of the Ministry

NATIONAL DEFENCE

D.E.W. LINE—FLYING OF CANADIAN FLAG

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I should like to direct a question to the Minister of National Defence arising out of a silly answer I got from him the other day.

Some hon. Members: Order.

Mr. Speaker: Order. I hope the hon. member will—

Mr. Hardie: I should like to ask the minister if in view of the fine weather which has been forecast for Canada today he would permit the Canadian flag to fly over defence establishments in Canada.

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, as I explained the other day, flags are not flown over Arctic stations during severe weather nor are they flown during hours of darkness, and there are long hours of darkness in the Arctic at this time of the year. When it is suitable to fly a flag at the Arctic stations, the Canadian flag will be flown.

Mr. Pearson: Is it a fact, then, that our flag can brave the battle but not the breeze?

Some hon. Members: Oh, oh.

Mr. Frank Howard (Skeena): A supplementary question to the Minister of National Defence. The minister has referred to what he classifies as the Canadian flag. I wonder if he could indicate what he means by that.

Mr. Pearkes: The flag which is recognized at the present time as the flag to be flown over the Canadian stations of the Canadian armed forces is that usually described as the red ensign with the coat of arms of Canada in the fly.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the minister a supplementary question. Can the minister say by what authority that flag is flown?

Mr. Fleming (Eglinton): Mackenzie King's.

Mr. Speaker: I may be presuming too much, but it seems to me that is a matter of law, and the hon. member should not really be asking the opinion of the Minister of National Defence.

Mr. Pickersgill: The order in council of September 5, 1945.

Mr. Hardie: I will ask the Minister of Defence now if he would be good enough to answer the question I asked the other day. Will the United States flag fly side by side with the Canadian flag when the weather does warm up in the Arctic?

[Mr. Green.]

Mr. Speaker: I was about to suggest that that was a hypothetical question, but I expect the weather will warm up in the Arctic.

Mr. Pearkes: It has been customary that when there are special occasions flags of other countries should be flown as a courtesy in conjunction with the flag of Canada, and on such occasions those flags are flown. For instance, on certain national or international days the flags of many countries are flown in front of the parliament buildings. If a United States flag or any other flag is flown over an Arctic station it would be done as a matter of courtesy.

Mr. Hardie: In that event I should like to direct a further question to the Minister of National Defence. Can the minister tell me now what change in the sovereignty over the Arctic D.E.W. line stations there is now that was not there a week ago, before he made his statement of last Monday.

Mr. Speaker: I am not very clear as to what the hon. member is asking, but if it is what I think it is, it is out of order.

INQUIRY AS TO COST OF BOMARC INSTALLATIONS

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I wish to direct a question to the Minister of National Defence. According to the newspapers he is reported as having said that the cost of the installation for the Bomarc missile would be between $10 million and $100 million. Could he give us a more accurate figure today?

Hon. G. R. Pearkes (Minister of National Defence): No, Mr. Speaker; it is impossible to give an accurate figure today.

PRIVILEGE

MR. MCGEE—OCCUPANCY OF COMMONS SEAT BY FORMER MEMBER

On the orders of the day:

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I wish to raise a question of privilege. An event occurred in this house last night which as far as I know is without precedent in Canadian or British history. A former member of this house was observed to take his seat on the floor of this chamber.

Those of us who observed this occurrence were, I must confess, so startled at the temerity and presumption of such an action that before we were able to draw the matter to the attention of the incumbent of the Speaker's chair the gentleman concerned escaped. I have a twofold request to make to you; first that you clarify the position of former members who resume their seats

without proper authority. Secondly, in the event of a man being taken into custody by the sergeant-at-arms, I am wondering where that person would be confined.

Mr. Speaker: Questions of order and privilege should be taken up at the time they arise. Of course it would be improper for anyone not a member of the house to enter the house without its permission, but I am afraid that was a matter of yesterday, and we are dealing with today's business.

CIVIL DEFENCE

APPOINTMENT OF DIRECTOR—REQUEST FOR REPORT

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare, and ask him if he expects to be able to announce the appointment of a civil defence director in the course of the next few days or, if not, when he expects to be able to make such an announcement.

Is the minister also in a position to tell the house when we may expect to see the report prepared by the former chief of staff in respect of civil defence?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I am not yet in a position to make the statement to which I made reference in my reply to a similar question on January 20. General Graham's report is still under active study. I think I should point out, however, in view of the hon. member's inquiry as to the possibility of tabling the report, that this is a report prepared at the request of the government by a man who, in addition to being a distinguished Canadian soldier, was also at the time and continues to be a member of the public service of Canada. General Graham did not cease to be a member of the public service when he retired from his post as chief of the general staff on August 31 last. He was merely seconded from the defence department for a period of four months to prepare the civil defence report, which he has now completed.

This report must therefore be considered a privileged document, containing the views and recommendations of a member of the public service of Canada submitted for the consideration of the government. This was General Graham's understanding in the preparation of the report. Because of this, in addition to the considerations I have already mentioned, references appeared in the report to Canada's defence arrangements, all of which require the report to be treated as a privileged document.

Mr. Martin (Essex East): May I have an answer to the first question, namely when the civil defence director for Canada will be appointed? That post has been vacant now for some eight months.

Mr. Monteith (Perth): The hon. member is quite right. The post has been vacant, and I am unable to state at this moment when it will be filled.

Mr. Martin (Essex East): Who is acting now as head of civil defence in Canada?

Mr. Monteith (Perth): Major General G. S. Hatton is deputy co-ordinator.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, January 22, consideration of the motion of Mr. W. H. Jorgenson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Pearson, and the amendment to the amendment of Mr. Argue.

Mr. Joseph Slogan (Springfield): Mr. Speaker, I never anticipated that it would take me two days to deliver my maiden speech.

At this time I should like to join in the welcome that has been extended to our two distinguished guests from other nations of the commonwealth who are visiting us today. I hope their stay here will prove to be as rewarding and educational as it has proven entertaining.

Last night at the hour of adjournment I had disposed of that part of my speech in which I dealt with the position of the opposition. I had gone on to outline some of the great challenges we face in the world today. I discussed the great demand for qualified and dedicated leadership. Of what does leadership consist? The greatness of a leader lies in his dignity, his diplomacy and his belief in democracy. Dignity consists of simplicity, sincerity and seriousness of purpose. Diplomacy consists of the ability to respect the other person's point of view, the ability to reason and the ability to co-operate.

In brief, democracy consists of the fundamental freedoms; freedom to believe, freedom to speak those beliefs; freedom of the press to perpetuate and criticize those beliefs. There is also freedom from fear of persecution for your views; that is, the right to be wrong. I suggest that this last is the most important for without it the others perish. More recently a new freedom has evolved, freedom from want, and we all subscribe to it to a degree. However, when economic

freedom is overextended it tends to infringe on political freedom. There is a danger of drifting in that direction today. Economic freedom versus political freedom is the biggest issue of the day and one that will hold the stage for many decades to come. We must find a formula of the relativity of the two that is consistent with the principles of democracy.

Just as there is a demand for leadership, there is a demand on leadership. A leader must be prepared to give far more than he will ever receive, for leadership is a life of selflessness, service and sacrifice. High as are the qualifications of leadership that I have outlined there are, I submit, hon. gentlemen in this chamber who meet those qualifications. But I would also submit that there is one man who meets those qualifications in an outstanding manner and his name, like that of Abou ben Adhem, leads all the rest. I refer to the Prime Minister (Mr. Diefenbaker).

To hon. members of this house of all parties may I say this, Mr. Speaker. All of us have a great heritage to which we must live up, and as individuals we should stand for principles we know are right. There is a great challenge before us. As individuals we should not bow before overbearing majorities or vociferous minorities whoever they may be. Nor should we yield to the defeatist cry that "It can't be done". That cry has re-echoed on Canada's frontiers in the past, when it could be done and was done. Our people place in us their faith and hope for peace and progress. It seems to me that all of us in this chamber are pressing our shoulders to that great wheel which turns the gears of democracy and leads to progress. I am sure that somewhere in that great book in which the annals of Canadian history are written each one will make his little mark with a job well done.

Mr. W. L. Houck (Niagara Falls): Mr. Speaker, at the very outset may I say that one returns to a new session of parliament with mingled feelings. One experiences a sense of anticipation, looking forward to meeting various members of parliament in sincere friendship and wondering how they are faring in their individual ridings. But one is also touched with deep regret when one learns, as generally happens, that we are called upon to pay our respects to a few of our number who have been called to their great reward.

I believe we also return with a feeling of anxiety about what the speech from the throne is going to contain. To the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne may I repeat what has been said so well on many previous occasions. I felt they brought honour not only to themselves but to the party they represent and to the House of Commons as well in the fine and masterful way they talked about this speech that contained so little about which one could talk.

I also want to say, and I say this seriously indeed, that I extend a hearty and warm welcome to the new members of this house. Unfortunately our party did not fare too well in terms of strengthening its representation in this chamber, but I was especially glad to welcome to our midst the hon. member for Trinity (Mr. Hellyer) who has a wealth of experience in parliamentary procedure and who will contribute much from his vast experience and ability.

I also wish to extend a sincere welcome to the hon. lady who represents the riding of Grenville-Dundas (Mrs. Casselman). I say that because I have always had a soft spot in my heart for her father, the hon. member for Dufferin-Simcoe (Mr. Rowe), with whom I have enjoyed a warm friendship extending over many years. He and I have in common something which is not shared by many other hon. members in this house, in that we both were born in the Unted States, and this has served to draw us together more closely than the reins of his race horses.

I hope it will be of interest to hon. members if I devote some time reporting to the house about the recent meeting in Washington of the joint Canada-United States interparliamentary committee. I feel I owe it to the house to report about our meeting. Before doing so, however, I want to say a hearty word of thanks not only to the Prime Minister but to my leader for honouring me by allowing me to serve on the committee. This was not only an honour to me but to the riding of Niagara Falls which I have the honour to represent, and the people of that area accepted it as such.

A few weeks ago, as hon. members will recall, some of us had the honour to serve on a committee appointed by this house to meet with a similar committee from the house of representatives of the United States to discuss important problems of mutual concern respecting our two great countries. It might be amusing to hon. gentlemen to know that at our very first meeting we discussed the proper name for this body. There were many good suggestions made, and after they were all taken and shuffled we finally decided and had rather a small baptismal service—that the committee be christened the Canada-United States interparliamentary group.

I wish to say that I was proud of our speaker in Washington and proud of the speaker of the other place as well because

of the leadership they gave us, as the hon. member for Laurier (Mr. Chevrier) so well said the other day. I can say this, Mr. Speaker, that in the limited experience I have had—and I know I am speaking the thoughts of the other members of the committee—we never experienced such wonderful hospitality as we met when we arrived and during our stay in Washington. I pay my utmost respect, and I find it rather difficult to find words adequately to express our sincere appreciation, to our embassy in Washington. I am so glad the Prime Minister has seen fit finally to appoint our ambassador to Washington, but his aides down there were performing a wonderful job. On leaving there I felt that they had left nothing undone that could have been done for our enjoyment. I think they are servants of whom we in Canada can be justly proud.

I also wish to say a word in regard to Mr. Merchant, who most hon. members know very well. He was formerly ambassador from the United States to Canada and now serves as undersecretary of state of the United States. I wish to thank him for the wonderful reception he and his wife gave to our committee. I was so glad we were allowed to take our wives along. I doubt, Mr. Speaker, whether the United States ever saw any better looking women than we had with us on that day. One of the highlights was that we were allowed to go to the White House and meet the President of the United States. It was a wonderful reception. We were invited into his office. He shook hands with each one personally; then he talked to us off the cuff, if I may use the expression, for about 10 minutes, and then he posed for a picture at his desk with our visiting Canadian group and before we left he shook hands with each one again.

I want to say that was one of the thrills of our meeting. He said then, and I noticed he used it in his speech to the nation, and these words will always stay with me in regard to our group visiting Washington; and I think it well for us to follow this on our side: "One basic purpose unites us; to promote strength and security side by side with liberty and opportunity."

Perhaps hon. members would like to know the composition of the committee. I shall go over it very quickly. First there was the Speaker of the other place, Senator William R. Brunt from Hanover and Senator Sydney John Smith from Kamloops. From this house we had our own esteemed Speaker and the hon. member for Laurier (Mr. Chevrier), the hon. member for Assiniboia (Mr. Argue), the hon. member for Yukon (Mr. Nielsen), the hon. member for Essex South (Mr. Thrasher) and myself. We felt honoured to act on that committee.

Why was there such a committee? Why did the Prime Minister see fit to appoint such a committee, and why did the house discuss at no great length last session the formation of such a committee to meet with our friends to the south of us? May I put on record what some of the United States senators had to say? This is what Senator George Aiken from Vermont, one of the older senators, a very fine man, chairman of that committee, performing a wonderful job not only on behalf of his state but on behalf of the United States, had to say:

> Reports of friction are exaggerated. Areas of agreement and co-operation are far more numerous than areas of disagreement.

Senator Richard Neuberger of Oregon, who was not on the committee, said:

> Relationships have worsened during the past year because of needless irritations over tariffs, world wheat markets, mutual use of the upper Columbia river and similar problems. Canadians have exaggerated the degree to which their pride in national growth must be turned against the United States; this may have been agitated during the last Canadian election. Relationships could be improved by a plan for gradual elimination of all tariff barriers over a five-year period.

Senator Warren Magnuson of Washington said:

> Relations slipped badly last year but Canada and the United States reassessed their stand. As a result relations are now on upturn.

Representative Frank Boykin of Alabama said:

> Our relations did deteriorate during the past 12 months but are now on upswing.

Representative Sam Rayburn from Texas is certainly a man about whom we read in the press. He continues to be one of the finest men in the House of Representatives. Indeed, he could have had the nomination for President of the United States at different times, but he said, "If I had taken nomination for the presidency of the United States I would be out of a job at the present time." He has been Speaker of the House of Representatives for many years, and to know him is to appreciate him. He said:

> Our relations are good because they must be.

Truer words were never spoken, Mr. Speaker. He said:

> I expect to do everything I can to keep them on the highest level.

Representative Henry Reuss of Wisconsin said:

> Slightly improved. Biggest single factor was the passage by congress of an amendment that requires our surplus disposal program to be so administered as not to interfere with the marketings of free countries. This would alleviate displacement of Canada's wheat exports.

I wish to say, Mr. Speaker, that one could not help believing that those business meetings we had with representatives of the United States opened a new chapter of splendid friendship pertaining to Canadian-United States relations.

We decided at the meeting—and I think this will be of interest to all members of the house—that in addition to our committee of nine we would ask this house, and the United States committee agreed with this—to permit at future meetings 15 to 24 members of the house to accompany the committee. We decided that we would not necessarily hold all the meetings in Washington and Ottawa. We felt that if we had something to discuss with the United States about the Columbia river or some British Columbia problem it would be only right that we should go to British Columbia. United States representatives felt that if it was something having to do with the western United States it would be well for the committee to travel out to the western part of the United States.

I think it was a good thing that the committee felt that all hon. members should have the same status and the same opportunity as the regular members of the committee, and that they should be permitted to take part in discussions as well. Therefore when we have our next meeting I hope we shall have other hon. members with us. If we go to Quebec I hope we shall have Quebec members accompanying us.

Then we discussed the time and place of the next meeting. We decided we should meet at least twice a year. We decided that our meetings would be absolutely informal. Although we felt we could not bring forward any definite resolutions at the present time—that rests with the higher levels of government—we felt we could at least make recommendations and give some advice to the higher levels of government, and we thought that would be a good step toward the solution of some of our problems.

We decided that our next meeting would be in June, to correspond with the official opening of the St. Lawrence seaway. We would also like the members of the United States Senate and House of Representatives to be here while our house and Senate are still in session so they can see how we act here and, if possible, witness the prorogation of parliament. We also decided that, if possible, the committee should not only visit Ottawa and the St. Lawrence but we would take the members to various parts of Quebec as well as having them sail the length of the Welland canal and, of course, we would never overlook having them spend a day in Niagara Falls.

We decided that at the next meeting we would discuss certain problems. We had a round table discussion, and each member put forward what he thought would be the most important problems to discuss. The problems that were put on the next agenda were, first, defence relationships, and then trade problems, boundary water issues, water disposal, investment policies, revival of the Hyde Park agreement, fisheries problems, defence production questions and the co-ordination of Canadian and United States foreign policies.

When the opening of congress took place, Mr. Speaker, we heard the President of the United States make his address to the nation and I was most impressed, as I am sure you were, Mr. Speaker, with the opening of congress that day. Naturally security guards were all over the place. The galleries were packed, and when everything was ready Speaker Rayburn and Vice-President Nixon came to the platform. Then the usher-at-large announced that the ambassadors from foreign countries were entering the house, and they formed a wonderful group for us to see. Then the judges of the supreme court, in their full flowing gowns, walked down the aisle to their seats at the front. Then the members of the cabinet were introduced and walked down the aisle in a body. Then, as is the usual custom—no doubt many of you have seen this on television or listened to the proceedings on radio—the Speaker appointed four or five senators to accompany the President of the United States into the chamber. The President, of course, received a great deal of applause when his entrance was announced.

In the afternoon we were taken to the United States Senate where they have, I believe, 92 members, and one thing struck me very forcibly. Senator Aiken, one of the finest and oldest senators, said to me, "The welcome will take about five minutes. I will simply introduce each of you individually, and then you will walk halfway down the floor of the Senate and stand there. The whole thing will soon be over." I want to say to hon. members that the reception accorded us in the Senate that afternoon, as many senators told us afterwards, was unprecedented in the history of that chamber. Instead of the welcome taking five minutes it took a full 40 minutes, and it certainly warmed the cockles of our hearts when one senator after another rose to his feet in order to welcome us. It made us feel very much at home.

With your permission, Mr. Speaker, and the permission of the house I should like to put on *Hansard* as an appendix the proceedings on that occasion as found in the Congressional Record. I am sure the speeches of

welcome by the senators will be of interest to all members of the house. I should like to have permission, Mr. Speaker, to put this on the record.

Mr. Speaker: The hon. member for Niagara Falls is suggesting that the house give leave to print as an appendix the words of welcome spoken by United States senators to the Canadian delegation. Is it the pleasure of the house to agree?

Some hon. Members: Agreed.

[*For the text of proceedings referred to above, see appendix, pages* 288-92.]

Mr. Houck: I think, Mr. Speaker, the Speaker of the other place expressed the purpose of our meetings very well when he said:

> This committee will fill a gap in the exchanges of thought between our two countries. We now have exchanges on the diplomatic level and the cabinet level, both confidential, but these exchanges between the rank and file of our legislatures will be less secret and meet an apparent need.

We as members of this committee look forward to important mutual benefits to Canada and the United States from the possibilities of future understanding and cooperation. A short time ago two reports were presented to the eighty-fifth congress, second session, House of Representatives, by Hon. Brooks Hays of Arkansas and Hon. Frank Coffin of Maine. I want to refer to what they said in summing up the situation. I was greatly impressed when I read their report. The thing that impressed me most was that after ten months of investigation on their part into our trade relations with the United States and the influence of the republic to the south on our overseas markets, we were really going to get some place. It was refreshing indeed to see a United States congressional committee arrive at some very definite conclusions, conclusions that virtually agreed with those of our statesmen.

I am sure these conclusions summarize the opinions of the predominant majority of Canadian businessmen. Their report recommended that Americans investing in Canada ought to be doubly responsive to Canadian sensitivity and employ as many Canadians as possible. The report adds that Canadians fear that Canadian subsidiaries of United States companies will be shut down if depression hits the United States, and that the Canadian market will again be saturated with United States products. It also urges that no upward changes in United States tariffs should be made without exploring all other possibilities, that revisions of tariffs should always be subject to review, and that businessmen should not be involved in too much red tape at the border. It recognizes as well that the great Canadian aluminium plants were developed to supply the United States market and that Canadians do not therefore appreciate the United States imposing a duty on a product that is being produced here at their request. The report is also critical of the recent report of the United States tariff commission proposing increased duties on lead and zinc which might throw whole Canadian towns on the unemployment lists. They also recommended, and I think rightly so, that the United States consider the interests of Canada as an exporter before dumping goods on foreign markets or selling them on terms that practically exclude Canadian competition.

One thought that struck me forcibly was that seldom since the beginning of the high tariff age has a United States congressional report been so unselfish in its proposals. Certainly if it is accepted by congress it will be of great benefit to Canada at the present time and will give our own businessmen more confidence in the future. I know that we as members of parliament, including those who were members of the committee that visited Washington, certainly hope that the old guard will not liquidate the report, and that it will meet with the approval of congress. There were, of course, more recommendations made but the fact remains that something is being done, and I think this is the important thing, to improve relations between the two countries.

During our recent visit to Washington one United States senator said to me, "We feel it is important to know what you Canadians really think about us." My obvious answer to that, of course, was, "We would like to know what you think of us." But I also added that we could get along famously if the United States did not take us for granted, which would be a very great mistake. It is most important, Mr. Speaker, that we in Canada do not take the United States for granted, and that the people of the United States do not take Canadians for granted. I could not help but feel as a result of this conference—I know this feeling will be stronger as time marches on—that although there are a lot of dark spots in this troubled world there are certainly a number of bright spots as well, and one of them is the genuine friendship Canadians and Americans have for each other and the deep respect each country has for the other. We need only to think how different it is in other parts of the world where troops guard frontiers, where suspicion and mistrust are rampant, and where the attempt to spread an undemocratic

ideology has resulted in chaos and has handicapped the reconstruction of the world after the most disastrous war in history.

Now, Mr. Speaker, it is some 140 years since the Rush-Bagot treaty was signed which brought peace between our countries. We have gotten along very well since then, although at times there have been sources of irritation. Even after this treaty was signed there were still two sources of irritation to be settled, one of which was cleaned up by the Webster-Ashburton treaty of 1842 which settled the boundary line between New Brunswick and Maine. Then there was a further arbitration in 1846 which decided the boundary line between Canada and Alaska. The story from that time on has been one of increasing co-operation between Canada and the United States.

I want to say this, Mr. Speaker. We say we do not have any forts along our boundary line between these two countries. As I said in Washington we have larger forts over here, and the thing of which I am proud, and I say this to hon. members of this house, is that these forts are strong structures that will stand for a lifetime because they are based on what we call friendship. We invite the people of the United States to come here. I might use that old, familiar saying in this connection: "Happy to meet, sorry to part, happy to meet again". Why should we not welcome these people? We have been partners in two of the greatest wars ever fought. Our soldiers have fallen side by side with those of the United States in the common defence of a way of life which we believe to be best.

These two wars, especially the last one, have been followed by the cementing of closer ties. As I said, I live on the border between our two great countries, so I am continually reminded of the fact that the unguarded border between the United States and Canada is indeed a magnificent symbol of the real meaning of friendship. One cannot help but feel that if the world wants a formula for peace it should turn to the northern hemisphere. Our two great countries, Canada and the United States, have proven to the other peoples of the world that two nations can live side by side, not in fear but indeed in friendship. Over the years we have demonstrated again and again, as we did in the conference just concluded and will continue to do in the future, the value of getting together on problems of mutual concern.

In my opinion the real significance of our relationship with the United States is the fact that in spite of differences we have had peace, and in spite of our difficulties we have, indeed, had friendship. Surely it is a comparatively easy thing to get along when there is nothing to quarrel about. We have had disputes, and we are going to have future disputes. We will be able to settle them in a friendly way, though at times we will have to talk frankly to each other. Certainly these discussions will not threaten our friendship in any way whatever. So far as I am concerned the United States-Canadian border is the main street of North America. Our fellowship with one another finds its inspiration in our mutual respect for freedom and our joint belief in the dignity and worth of the individual human being. It is further buttressed by our determination to safeguard the welfare and security of our people, and our resolve to maintain and defend the essential values of our society.

I have always felt that Canadians are like the people of the United States in their strong determination never to be found on the backs of the weak or at the feet of the strong, but we will be at the side of those who believe in freedom and democracy as we do. I think our history is now at the crossroads. Our deliberations in parliament, and the policies we follow, will affect future generations to come. I feel we must never lose sight of the fact when we are defining these policies that the great question of our time is whether the world will follow the high road to freedom or stumble into the dead-end street of communism. This government, as well as we in the opposition, has two or three aims. First, we must safeguard our freedom; we must maintain economic stability, and we must care for the human problems of individual citizens. In my opinion the greatest threat to democracy and freedom comes from within ourselves. We as members of parliament must have the courage to lead and to discharge our responsibilities in an effective and fearless way. Democracy, freedom and responsibility go hand in hand. If we lose one we lose all.

I always take a lot of pride, Mr. Speaker, in talking about the rainbow arch at Niagara Falls, which is visible most of the time during the day. It always seems to me that is a symbol of peace and friendship between two great countries.

They told us in Washington that history was made as a result of the formation of this interparliamentary committee. Senator Aiken said he did not know of any other countries the two legislative bodies of which had met at the same level. I should like to refer to what the correspondent of the *Financial Post* in Washington said. He said that a major improvement in Canada-U.S. economic relations may have occurred with the agreement on a Canada-U.S. interparliamentary group.

I think the Speaker of our house said, and it was very apropos, that this fills a gap in the relations between the two countries, and we hope these discussions will be as broad as possible.

Then again, the *Financial Post* said that it is from congress that most of Canada's miseries with Uncle Sam stem, and hence a better congressional awareness of Canada can be a highly beneficial result of these parliamentary-congressional meetings. When Senator Aiken, the senator to whom I referred a few minutes ago, said good-bye to us he said that never before in its history had the United States congress established such close legislative links with another country. I say, therefore, that this interparliamentary group has made history, and as one newspaper so rightly said it will give us a direct channel into the United States congress.

I should like to plead with this government, Mr. Speaker, to do something about paying at least 50 per cent of the expenses of the Belleville McFarland's hockey team which will carry Canada's colours into the world hockey tournament in the coming months. As I understand it this club is looking for $50,000. I think it is a disgrace to the Dominion of Canada that this club has to ask councils in various cities and towns of the province, as well as various citizens, to share in the expenses of this team. I understand the larger cities have been asked for one-tenth of one cent per person. This does not amount to much, but it certainly seems to me that when we consider the honour this team will bring to Canada, the province from which the team comes and the federal government should each share 50 per cent of the cost. I do not feel the cost is excessive, because hockey seems to be our national game and we should at least be financially responsible for the expenses of this team. Many of these boys have good jobs, many of them have families to support, and certainly it is no encouragement to the boys on this hockey team to have to go begging for their expenses before they attempt to bring this signal honour to Canada. I hope that the Minister of Finance and the provincial treasurer will see fit to make contributions toward the expenses of this team, and I know every member will wish them good luck, feeling that they will bring us a lot of credit and honour.

There is just one more thing I wish to mention, Mr. Speaker, and then I shall be finished. I should like to speak on something that is close to my heart in my own riding of Niagara Falls. This matter affects not only silverware companies in Niagara Falls but indeed silverware companies all over Canada. I must admit that it is rather rough going when these companies are up against the price competition of stainless steel from Japan.

In the first place, Japanese imports of flat silverware into Canada for the first six months of 1958 were 1,368,000 dozen. In the second place, that amount is three times as much as Japan has imported into Canada in any equivalent period. In the third place, Japanese exports to Canada in the month of June last exceeded exports to the United States for the first time in history, the actual figures being more than 300,000 dozen to Canada versus 260,000 dozen to the United States.

Japanese imports into Canada last year by volume were about double the output of all Canadian manufacturers combined. It seems obvious that the Japanese are dumping into Canada the production that the United States quota prevents them from shipping to that country. Certainly the final result of this situation will be that unless we make some quota arrangements in the near future, we shall have no stainless steel industry here in Canada. The only conclusion one can draw is that once this industry is forced to close down because it cannot meet Japanese competition, it is doubtful if it will ever start again. The decline in Japanese exports to the United States was more than offset by the increased export shipments to Canada which took place during the first six months of 1958. In June, 1958, Canada's purchases of stainless steel tableware from Japan topped purchases made by the United States.

In Niagara Falls we have three large silverware companies. Because of the importation of this flat silverware from Japan, employment in at least two of these companies has been decreased by over 50 per cent as compared with what it was twelve months ago. I certainly hope the Department of Trade and Commerce and the Minister of Finance will take steps to correct this situation as soon as possible. It is an alarming situation as far as we are concerned. If this condition could be rectified it would be of material assistance with regard to the unemployment situation in the Niagara district.

May I say this in closing, Mr. Speaker, and I say it with all the sincerity possible. I hope the members of this house will take a great interest in this committee which was formed some time ago and about which I spoke. When hon. members are asked to serve on this committee I hope they will find the time to do so. They will find it well worth while to meet these gentlemen from the United States.

I want to say this, and I do so because of experience. When you are talking to these

senators and members of the House of Representatives, you are in the world series, you are talking in big time, and you must be on your mettle. They have the same feeling that we have. It is the uppermost feeling in our hearts and minds that we want to do everything we can for Canada. They want to do everything they can for the United States. We want to stand on our own feet. We are out to protect the rights of Canada. They are out to protect the rights of the United States. But when the final conclusion is arrived at, it will be a definite conclusion to the benefit of the great republic of the United States and of our great Dominion of Canada.

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I should like to add my congratulations to those already proffered by so many members of the house to the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne. It is a particular pleasure for me to congratulate these gentlemen. The mover made an excellent speech on agriculture, a subject on which he is particularly well qualified to speak. The seconder made one of the finest maiden speeches which has ever been heard in this house.

I am going to devote my remarks today entirely to agriculture. I have, of course, practically nothing to deal with in the way of criticism as far as the Leader of the Opposition is concerned. In his speech of two hours and twenty minutes, or 140 minutes, he devoted nearly half a minute to agriculture. This was rather summary treatment, Mr. Speaker, for the industry on which more of our people are still dependent, either directly or indirectly, than on any other industry in Canada. However, when the Leader of the Opposition was engaging in such great flights of fancy and imagination probably we should not expect him to devote his thoughts and his time to anything so down to earth as our food supply and the farmers who produce it. The closest the Leader of the Opposition managed to get to agriculture, practically, was the setting up of straw men and then knocking them down.

Actually, Mr. Speaker, what did he say in this nearly one-half minute which he devoted to agriculture? It consisted chiefly of a gibe at the Prime Minister and myself, and a statement that confusion existed with regard to agriculture. I think in the next few minutes I can demonstrate that there is not and never has been any confusion as far as we are concerned in our agricultural policies. This attempt on the part of the Leader of the Opposition, which was followed up by one of his supporters, to demonstrate or make out that there is a difference of opinion between the Prime Minister and myself with regard to agriculture is completely without foundation.

On numerous occasions the Prime Minister has spoken on the desirability of a world food bank and of a NATO food bank, and by this means making use of the large agricultural production which we have in Canada. I think everybody in this chamber and everybody concerned with agriculture throughout the country is aware of the desirability of those ideas coming to fruition. However, at the present time neither of those schemes is in actual operation. Under these circumstances it is necessary for us to tailor our agricultural production to the markets which we possess and those which we have any reasonable possibility of securing. To take the statements I have made on these matters and then contrast them with the statements the Prime Minister has made as to the world food bank and the NATO food bank and so on, and attempt to show that there is a conflict between them is, as I say, a mere political trick without any foundation in fact.

The hon. member for Assiniboia (Mr. Argue) dealt with agriculture at greater length than did the Leader of the Opposition, but to no more effect. His remarks consisted chiefly of the usual loose and inaccurate statements of the type which characterized the speeches he made throughout western Canada last fall and early winter. Those speeches really all boiled down to the statement that the Conservative government had done nothing for agriculture, and the attempt was made to leave the general impression that farmers are no better off now than they were before we took office and perhaps are worse off.

Let us look at the record, Mr. Speaker. There is on the record plenty of evidence to show what is the actual situation of agriculture and of our farmers. It shows conclusively that these allegations on the part of the hon. member for Assiniboia and others are not correct. First of all I should like to mention the large number of things we have done to aid agriculture and the farmers since we came into office. Most of these things are in the records of the house. I have not time today to review them all or even to mention them all, but I should like to summarize a few to refresh the memory of hon. members opposite.

Immediately after taking office we took action to dispose of some of the surpluses which were in the hands of the price support board and which had been there for a considerable period of time, to get rid of them so they would not continue to overhang the market. Within a few weeks of assuming office we put import controls and price supports on

turkeys and fowl. We put into effect a starch diversion program for potatoes as far as New Brunswick was concerned, a freight assistance program for hay in Nova Scotia, and import control on dried skimmed milk. In the first session after the election we put into effect cash advances on farm-stored grain, something we had advocated for years but which the Liberal party claimed could not be done. We placed all forms of butter and butter fat under price support and import control; we set up a royal commission on price spreads which is still sitting and which has made a very exhaustive investigation of price spreads, and the effect of its activities and its report will, I think, be very beneficial not only to farmers but also to consumers.

Mr. Martin (Essex East): Is the present chairman of that board going to continue?

Mr. Harkness: Dr. Andrew Stewart is continuing as chairman of the board at the present time in order to complete the report.

We placed sugar beet under price support; we made an agreement with the United Kingdom to purchase Canadian apples; we concluded a large number of agreements under the Agricultural Products Marketing Act to enable co-operatives of various kinds to market their products; we set up a system of tobacco grades to assist tobacco growers in marketing their product. At the last session of parliament we passed amendments to the Animal Contagious Diseases Act to increase the payments made for animals slaughtered under the tuberculosis and brucellosis reduction program from $100 to $140 for purebred cattle and from $40 to $70 for grades.

The Canadian Farm Loan Act was amended to increase the maximum amount available for loans from $80 million to $120 million. In addition we have been carrying on a very active prairie farm rehabilitation program. Over 2,500 farm dugouts and small irrigation projects were constructed in 1957, besides a considerable number of small irrigation projects in over 70 communities; water storage projects, and work on several large dams. In addition we made a start on the South Saskatchewan dam, a project which the Liberals played around with for several years, always making excuses for not doing anything and never really getting started or showing any intention that they were going to get started.

Mr. Martin (Essex East): The first funds for that were put in by Mr. Gardiner.

Mr. Harkness: The only money that was ever paid in for this was for engineering services under the Prairie Farm Rehabilitation Act.

Mr. Martin (Essex East): That was a notice of intention.

Mr. Harkness: The previous leader of the Liberal government, Mr. St. Laurent, said several times in this house, as is well known, that the Liberal government did not consider that this project should be proceeded with.

There were also considerable programs carried out under the maritime marshland rehabilitation project, in particular two large dams which are under construction at the present time. We provided assistance to Manitoba and Saskatchewan for the movement of hay and cattle if necessary as a result of last summer's drought. We provided supplementary payments to western grain producers of $1 an acre up to a maximum of 200 acres, the cost of which will work out eventually to somewhere between $41 million and $42 million. We took very active measures to increase the sales of wheat abroad and, of course, we very considerably increased those sales, as was indicated the day before yesterday by the Minister of Trade and Commerce. Most important of all, we put on the statute books and into operation the Agricultural Stabilization Act, which has been of very great benefit to farmers and about which I will have more to say a little later.

That, Mr. Speaker, is a very brief summary of some of the things we have done so far as agriculture is concerned. In the election campaign of 1957 the Conservative party outlined a national program for agriculture. Since assuming office we have gone steadily forward to implement this program. I have outlined some of the steps we have actually taken. On August 30, 1958, the Prime Minister outlined the further steps we are taking, and I should like just to refer to these now and indicate the progress that has been made in connection with them.

The first of these is provision for an improved farm credit scheme. As everyone here knows, this was included in the speech from the throne, and it was indicated that legislation to bring this into effect would be brought down this session. The next is a system of crop insurance which, as was similarly indicated in the speech from the throne, will be implemented by legislation this session. The next is the soil and water conservation program. The first conference in connection with this was held on November 17 last and attended by representatives of all the provinces. Preliminary plans were laid in order to work out a practical soil and water conservation program for Canada in conjunction with the provinces, and this must be done in conjunction with the provinces because the provinces control their own natural resources.

Next is the rural redevelopment program on which we have been working from the point of view of research. In the course of time we will be making an announcement of a program to implement this research. The next is a forage bank—

Mr. Martin (Essex East): What does that mean?

Mr. Harkness: —in order to provide forage, particularly in the drier parts of this country, to ensure that a satisfactory livestock economy can be maintained.

Mr. Martin (Essex East): What is the rural redevelopment program?

Mr. Harkness: The hon. gentleman will find a brief outline if he will look up the speech made by the Prime Minister on August 30 of last year; I have not time to go into it in detail now.

Another important phase of our program is to increase exports. We have done that, as I have indicated, as far as wheat and certain other agricultural products are concerned, but we intend to do more, as has been indicated to the house, under the Colombo plan and other aid programs. This is an essential feature of our agricultural program, a constant effort to take advantage of every opportunity possible to increase our exports of agricultural commodities.

Mr. Speaker, I have listed some of the things we have actually done, and given the house an indication of our program and the progress we have made in connection with it. I think what I have said is in itself a complete refutation of the allegation that nothing has been done, and the allegation that there has been confusion. The only confusion has been on the part of our political opponents. They have attempted in every way possible to sow confusion and give the farmers of Canada a completely incorrect idea of what their situation is and of what the Conservative government has been doing to assist agriculture. Their efforts, as was demonstrated in the last election, have been notoriously unsuccessful, however, and I am quite sure they will continue to be unsuccessful.

I should now like to look at the statistics to show what the position of the farmer has actually been during the past year as compared with his position in the immediately preceding years when the Liberals were in power. The Leader of the Opposition of course paints a picture of gloom. Everything has gone to pot, according to him, including agriculture, but the record shows that exactly the opposite situation prevails. Agriculture and our farmers are in a better position today, and were in 1958, than for several years previously. All we need to do in order to demonstrate that this is the case is to look at the cash income from the sale of farm products for the past several years.

I have in my hand a summary of cash income from the sale of farm products covering the years 1954 to 1958 and taken, of course, from the records of the bureau of statistics with the exception of the figures for 1958, which are not yet published. However, the figures for that year are those estimated by officials of the economics division of the Department of Agriculture and they will bear a close resemblance to the final figures.

Mr. Martin (Essex East): I believe the figures for 1958 are available, with the exception of the last three months of that year.

Mr. Harkness: Yes, but they are not available for the total year. Let us examine these figures and see the true situation. In 1958 wheat produced cash income amounting to $415 million as compared with $375.9 million in 1957, a very considerable increase. This same commodity produced income amounting to $323.9 million in 1954, $331.8 million in 1955 and $461.8 million in 1956.

What has been the situation with respect to potatoes? They produced cash income in 1958 amounting to $42 million as compared with $37.2 million in 1957, $43.4 million in 1956, $34 million in 1955 and $29.3 million in 1954.

Fruits and vegetables are also of interest. Fruit in 1958 produced cash income of $41.5 million as compared with $39.9 million in 1957, while vegetables produced income of $65 million in 1958 as compared with $58.1 million in 1957. Yet, in spite of that fact, the hon. member for Welland (Mr. McMillan) in speaking last Wednesday, as reported at page 165 of *Hansard* of January 21, 1959, stated:

> Many of these fruit and vegetable growers tell me that their costs have risen and their returns for 1958 in respect of their crops have been the worst since before the war.

As a matter of fact they have been the best they have been in the last five years, as these figures definitely show. This is the type of inaccurate statement which hon. members of the opposition constantly make. Now let use examine cash income produced by tobacco. In 1958 tobacco produced income of $87 million as compared with $73.1 million in 1957 and $66.9 million in 1954. Cattle, which commodity is perhaps the most important listed here, also shows a remarkable increase in returns, $607 million for 1958 as compared with $482.3 million for 1957 and $392.2 million for 1954. Hogs produced $312 million in 1958 as compared with $292.3 million in 1957. Poultry produced $195

million as compared with $168.6 million in 1957; and in all these cases the preceding years indicate returns that are much lower.

I shall not endeavour to place on record all the figures contained in this summary, but let us also consider dairy products, which produced income of $491.5 million in 1958 as compared with $459.6 in 1957; and again the returns for the previous years are lower.

These figures indicate as clearly as anything could indicate the fact that the Canadian farmer is better off in 1958 than he was in any of the preceding four years under the Liberal administration. Let us now examine the total cash income as contained in this summary. In 1958 the total cash income of farmers was $2,869 million as compared with $2,593.8 million in 1957. Let us also examine the percentage increase over the years. In 1958 it was more than 10 per cent greater than in 1957 and 7½ per cent greater than in 1956, 20 per cent greater than in 1955 and also 20 per cent greater than in 1954.

Another notable point in this connection is that the improvement was not confined to any one region of Canada but extended right across the country. The provincial improvement in cash income was very close to the national average of a little better than 10 per cent in all provinces except Prince Edward Island, where it was not quite as large. As a matter of fact all of the provincial estimates of farm cash income for the first nine months of 1958, the only published figures presently available, indicate that farm cash income was higher than in the same period in 1957. And so, as far as the nation as a whole is concerned, cash income is 10 per cent greater for 1958 than for 1957 and 20 per cent greater than for 1954 or 1955, and this condition extends across the country, not being restricted to one area. I believe these figures are pretty conclusive.

Of course some hon. gentlemen opposite will say this does not present a true picture of the situation because the cost of goods and services used by farmers went up more than the income did, and therefore the cost-price squeeze was still operating. I am a little surprised that someone has not expressed this view already, and had the hon. member for Assiniboia been here I am sure he would have stated this to be the case.

Mr. Martin (Essex East): All the farm organizations have, of course. That is their main grievance, is it not?

Mr. Harkness: That was always their grievance under the Liberal administration.

Mr. Martin (Essex East): Not to the same extent.

Mr. Harkness: But it cannot be so at the present time because it is no longer correct. It was not the case in 1958. In other words the cost of goods and services used by farmers did not rise more than their cash income did; this cost rose very little indeed.

Mr. Pickersgill: Three and one-half per cent.

Mr. Harkness: The hon. member says "Three and one-half per cent", which shows how very little he knows about the subject.

Mr. Pickersgill: Just the consumer price index from the bureau of statistics.

Mr. Harkness: I should like to quote from The Current Review of Agricultural Conditions in Canada, the January 1959 issue. This is a publication issued by the economics division, marketing service, Department of Agriculture, and is referred to as the "Situation and Outlook" issue. I recommend to hon. gentlemen opposite who are interested in agriculture that they secure a copy of this review, which I might state is distributed without charge to all hon. members on request.

Mr. Pickersgill: Are they available?

Mr. Harkness: Yes. I think the hon. member has shown his ignorance sufficiently and should avoid further interruptions. On page 5 of the report to which I refer we find these words:

> Prices paid by farmers in 1958 for commodities and services used in production and for living were only slightly more than 1 per cent above those of 1957.

And below it states:

> Although both cash income and operating expenses advanced during 1958, the greater increase was in cash income, and therefore realized farm net income was higher than in 1957.

Realized farm net income is defined at the bottom of the page as farm cash income plus income in kind minus operating expenses and depreciation charges. The paragraphs I have read illustrate the point I am making. Gross cash income went up by a little more than 10 per cent. The cost of goods and services which farmers have to buy went up by a little more than 1 per cent. Therefore I feel it is quite apparent that the cost-price squeeze which was a cause of hardship to the farmer under the Liberal administration ever since 1951-1952 has been finally halted and reversed.

Our political opponents, Mr. Speaker, are constantly seeking to give the impression that Canadian prices of agricultural products are lower than those of other countries. Actually the very reverse is the case as far as most of the major agricultural products are concerned. Our prices in Canada for

most of those products are as high, or higher, or nearly as high, depending on what product one takes, as those in any other country. I have a compilation which I had made up by the economics division of the department to indicate the prices in various countries of the world for some of the major agricultural products. It is entitled "Average Wholesale Prices of Agricultural Products in Selected Countries." The figures are for the third quarter of 1958 and are expressed in terms of Canadian currency in all cases.

Take the case of good steers. As I say, these are wholesale prices and the markets taken in Canada are in all cases either Montreal or Toronto. Good steers, United States, $24.27 per hundredweight; West Germany, $23.87; Canada, $22.59; United Kingdom, $18.61; New Zealand, $9.44; Australia, $8.37. Our price in Canada was nearly up to the prices of cattle in other countries. In the United States the price was about 1½ cents to 1¾ cents above us. Hon. members can see how the prices in other countries dropped down. In the case of Australia it was a little more than one-third of the price in Canada.

Mr. Herridge: The cost of living is much lower.

Mr. Harkness: The cost of living is not anything like as much lower as that. There is no comparison on those prices at all, as far as what the Canadian farmer received as compared with what the Australian and New Zealand farmers received.

In the case of hogs the price in West Germany was $33.21 per hundredweight; in Canada, $30.21; in the United States, $28.24; in Denmark, $26.26; in Australia, $24.15. The only country with a higher price was West Germany.

We now come to the price of butter. In Canada the price was 62 cents a pound; in the United States, 58 cents; in Australia, 51 cents; in New Zealand, 37 cents; in the Netherlands, 34 cents; in Denmark, 27 cents; and on the London market, which is the only place that is anything like a free market as far as butter is concerned, the price of New Zealand butter was 28 cents a pound and Danish butter 32 cents a pound. We see from these figures that the price of butter in some of those countries is just about half the price in Canada.

We now come to cheese. In Canada the price of cheese was 34 cents a pound; in the United States, 33 cents a pound; in West Germany, 28 cents a pound; in Australia, 28 cents a pound; in New Zealand, 21 cents a pound; in the Netherlands, 19 cents a pound.

Let us take eggs. In the United Kingdom eggs were 60 cents a dozen; in Canada, 55 cents; in West Germany, 49 cents, and in the United States, 42 cents.

These figures illustrate without any question at all, I think, that as far as the majority of the major agricultural products are concerned Canadian prices are either nearly as high as or higher than those of any country in the world. Somebody will ask, what about wheat? As far as wheat is concerned this is not the case, but this is the one major agricultural product in which Canadian prices are not right up at the top.

Mr. Peters: Will the minister permit a question? Will he put on record the producer figures rather than the figures he has given which include mark-ups of various kinds?

Mr. Harkness: It is impossible to get any comparative figures on that basis, because the return to the producers varies from town to town depending on transportation facilities, truck and water competition with rail transportation and so forth, and it is the same in other countries. The only comparative figures that one can get are those wholesale prices, as I say, which are quoted regularly in every country.

Mr. Martin (Essex East): In some of those other countries they have cost of production figures which are more scientific than ours.

Mr. Harkness: That may be the case; nevertheless this comparison shows what the prices are, and I think everybody will have to admit that is the case. They are exactly comparable types of prices and they show that the position of our farmers, rather than being very much worse than the position of farmers in other countries, as far as almost all products are concerned is far better than that of farmers in other countries.

These good prices relative to those in other countries, Mr. Speaker, are due to the operations of the Agricultural Stabilization Act and to the great improvement in our exports of agricultural products, particularly of cattle, to the United States. The value of the Agricultural Stabilization Act to farmers is not, I think, appreciated by very many people. The members of the opposition, particularly the members of the C.C.F. party, have always tried to measure the value of the old Liberal farm prices support act and of this stabilization act by the number of dollars that are paid out under it, or the losses which are incurred under it. This, of course, is no measure whatever of the effectiveness of farm prices support legislation. Its value or effectiveness is not measured by the actual amount of money which is paid out under it to support prices, but by the extra number of dollars which are put into the pockets of the farmers.

This can best be illustrated by the case of dairy products during the last year in Canada. We estimate that the farmers of Canada have received at least $100 million more for dairy products than they would have received had the stabilization legislation not been in effect. The reason this is so is that had we not had the stabilization legislation in effect and import controls to protect those stabilized prices, which we could not have had otherwise, the prices the farmers would have received for butter, for cheese and for other dairy products would have been the world prices plus our tariffs.

Now, the general world price, the export price that butter was coming in at, would have meant that butter would have been coming into this country at the most at not more than 40 cents a pound, and probably less. If you take it at that level the effect of the stabilization act was to add $80 million to the returns to farmers over what they would have had if it had not been in effect. In the case of cheese it would have been about $10 million; in the case of dried skim milk and manufactured products of that kind, another $10 million; and the cost was very much less to keep this cheese program in effect which, as I say, added $10 million to the farmers' income. It will cost the taxpayers about $1 million—

Mr. Deputy Speaker: Order. I regret to interrupt the minister, but it being one o'clock I now leave the chair.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Harkness: Mr. Speaker, before the luncheon adjournment I had been pointing out that the value of the Agricultural Stabilization Act to the farmers of Canada cannot be measured by the amount of money paid out under that legislation but rather by the great increase in the amount of money which it puts into the pockets of the farmers. I had taken as an example the chief dairy products which we support. I would finish with respect to that matter by saying that as far as butter is concerned the increase in the amount of money the farmers have received over what they would have received had this act not been in effect is in the neighbourhood of $80 million in the past year. To date we have probably spent about $1 million. We will have to spend considerably more before we finish disposing of the butter we now hold but I must say that even if it costs the taxpayers between $5 million and $10 million that is a very small amount in comparison with the value of the legislation to the farmers of the country engaged in the dairy industry and to the economy as a whole. Sixty-nine per cent of all the farmers in Canada secure either all or part of their income from dairying.

I should like to say a word about the scope of the stabilization act. During the past year we have had 23 commodities under support. I do not have time to outline what they are but any member can get a list of them at any time if he wishes to apply to me for it.

Mr. Martin (Essex East): Are there any others to be added?

Mr. Harkness: However, I would point out that under the Agricultural Prices Support Act, which the Liberals had in effect for 12 years, only 15 commodities were supported in the entire 12 years that the legislation was in effect and in any one year only a very few commodities were ever under price support whereas during the first year the stabilization act has been in effect we have had, as I say, 23 commodities under price support.

Mr. Martin (Essex East): I do not think the minister heard my interjection. Are there any others to be added?

Mr. Harkness: That will appear in due course as it becomes necessary to put them under price support. In that connection I might say that I hold in my hand a very interesting article written by the Right Hon. James G. Gardiner and entitled "Test of Tory Farm Policy". He is talking about the stabilization act and he maintains that we set prices too high. Members of the C.C.F. party, of course, say that we set prices too low. People can draw their own conclusion from that.

Mr. Martin (Essex East): Where did that article appear?

Mr. Harkness: It appeared in the *Leader-Post* under date of January 13, and if the hon. member for Essex East (Mr. Martin) wants some fairy tales to read to put him to sleep at night I recommend this as one that he should put first on his list.

Mr. Martin (Essex East): If it is from Mr. Gardiner it must be a very substantial document.

Mr. Harkness: It is the most peculiar reasoning in connection with farm matters that I have ever seen. I should like to say something, however, about the amount of money which has been put out under the stabilization act. First of all, in the period from March 1, 1958, when the act came into effect, to December 31, we spent $73,841,000

out of the revolving fund for goods. That does not mean that money or a good portion of it will not come back into the revolving fund, but nevertheless during that nine month period $73,841,000 was expended in buying agricultural products in order to support prices. In the period April 1 to December 31 the losses we took amounted to $10,211,000. We estimated that for the fiscal year April 1, 1958 to March 31, 1959 the losses or the cost—I will say "cost" rather than "losses" because it is a more accurate word—of our agricultural stabilization operations will be $18,741,000. As I have pointed out before, that does not indicate in any way what the value of the legislation has been to the farmers of the country. I should like to say a word—

Mr. Pickersgill: I wonder whether the minister would—

Mr. Harkness: Just a minute. I only have about five minutes and I do not have the time.

Mr. Pickersgill: With the minister's usual courtesy.

Mr. Harkness: We have made very large direct expenditures to or on behalf of the farmers during 1958, much greater than most people realize. I have here a list of some of the most important and I will just read it. With respect to acreage payments during 1958—that is the $1 an acre up to a maximum of 200 acres—for which we put an amount of $40 million in the estimates, actual expenditures before the program is over will be closer to $42 million. Storage charges on grain under the Temporary Wheat Reserves Act will amount to $38,800,000. We estimate that payments under the Prairie Farm Assistance Act will amount to $25 million. Payments under the Prairie Farm Rehabilitation Act amounted to $17,285,988 while those under the Maritime Marshland Rehabilitation Act amounted to $2,275,000. Quality premiums on high grade hogs amounted to $6,630,000. Freight assistance on western feed grains amounted to $21 million and the amount spent in 1958 under the stabilization act, to which I have just referred, will be at least $15 million. That makes a total of approximately $166 million in direct payments on behalf of agriculture.

In addition, up to the middle of December we had paid out $30,717,000 by way of cash advances on farm stored grain. Quite a respectable total of money has been paid directly in aid to the farmers of the country in spite of the cries of the hon. member for Assiniboia (Mr. Argue) and others that we have done nothing for agriculture and these figures indicate how completely incorrect these allegations are.

I think this brief examination of the agricultural situation shows conclusively that the downward drift of agriculture so apparent under the Liberal government from 1952 onward has been halted and reversed. The Liberal policy, or lack of policy, of sit and drift—

Mr. Martin (Essex East): Oh, no.

Mr. Harkness: —has been replaced by a definite and dynamic policy which has already produced results as all the statistics show.

Mr. Speaker: I appreciate that the minister seems to be nearing the end of his speech but his time has actually expired.

Mr. Pickersgill: Go ahead. Let the minister finish.

Mr. Harkness: I will just take one minute.

Mr. Martin (Essex East): Do not condemn the Liberal party in that remaining minute.

Mr. Harkness: As I said, the statistics show that very impressive results have already been achieved and I am sure that the continuation of our polices will produce much greater results as we have time to develop our program. I should also like to point out that these encouraging improvements in 1958 were accomplished in spite of the fact that the North American continent was suffering from a recession during that year. The fact that so much improvement was secured under these circumstances is something in which the Canadian farmers, the Canadian people and the present government are entitled to take considerable pride.

Mr. Pickersgill: Perhaps, Mr. Speaker, since the hon. gentleman's time was extended he would not mind answering my question? It is a very simple and factual one. Has the minister given any consideration to including pulpwood amongst the commodities under the prices stabilization program as the Prime Minister indicated in Rimouski was being considered?

Mr. Harkness: Yes, we gave very serious consideration to that and put a considerable amount of study on it. I believe, however, and hope that the action taken under the Combines Investigation Act against the pulp companies in connection with the purchasing of pulpwood will have very beneficial results and will look after the problem better than putting pulpwood under price support would do.

(Translation):

Mr. Guy Rouleau (Dollard): Mr. Speaker, before I deal with the subject of my remarks, I should like to congratulate the new member for Springfield (Mr. Slogan) for the magnificent election speech he began yesterday evening and concluded this morning. I congratulate him on his being elected member for the constituency of Springfield. I might also tell him that if he got in with a lower majority in the by-election, he need not ascribe this to loss of personal popularity but rather to the unpopularity of the government now in charge of the destinies of this country. I wish him a rewarding stay in our national parliament, albeit a short one, as you will readily appreciate, Mr. Speaker.

I should like to refer to only one remark made by the hon. member for Springfield, the one about the young Liberals of Canada. Yesterday evening, the hon. member for Springfield said that Canada's young Liberals do not have, within their own party, the same freedom of expression which the young Conservatives enjoy. Well, Mr. Speaker, I must tell the hon. member that I have had the privilege and honour of being president of the Young Liberals Association of Canada, and that at no time were its members hampered in their work. On the contrary, Liberal party officials always sought out the advice of the young Liberals, and such suggestions as might contribute to the welfare of our fellow citizens. They always took keen interest in proposals put forward by the young Liberals, and young Liberals have at all times enjoyed full and complete freedom within the party. I do not know how it is with young Conservatives in Canada, and my interest in the matter is only lukewarm, I confess.

I should also like to congratulate the mover and seconder of the address in reply to the speech from the throne (Messrs. Jorgenson and Fortin).

The hon. member for Provencher, honoured by the right hon. Prime Minister (Mr. Diefenbaker) by being entrusted with the task of proposing the address, did so in concrete, concise and intelligent fashion. I congratulate him. He told us about an area of Canada which is of interest to all of us in western Canada.

I should like also to offer special congratulations to the new member for Montmagny-L'Islet. I had the opportunity of meeting him during the last campaign and, needless to say, it was in the constituency of Montmagny-L'Islet, where I had gone to help in the election not of him but of someone else. It is however with pleasure that I listened to him when he spoke in support of the address in reply to the speech from the throne.

I congratulate him in particular on his election, and say to him that he is assuming a very great responsibility, because he now has a rich heritage to develop, the heritage of 25 years of Liberal representation in the constituency of Montmagny-L'Islet. He is the successor to a man who honoured the province, a man who did much for Canadian politics, the Hon. Jean Lesage.

If the Hon. Jean Lesage has left the federal scene, it was not of his own choice. He did it out of a sense of duty, to help fight the dictatorship which is plaguing the province of Quebec, and the work he is now doing in the province is for the defence of democracy. I am sure that this task he has undertaken, with all the sacrifices it involves, will bear fruit and that the man who will crush dictatorship in the province of Quebec and who will become the province's next prime minister will be the former representative of the constituency of Montmagny-L'Islet in the House of Commons, Hon. Jean Lesage.

Mr. Speaker, I was deeply impressed by the speech made by the hon. member for Montmagny-L'Islet, particularly when he touched upon national unity. One of the main reasons that led me to enter politics was my desire to contribute to the building up of national unity in this great and beautiful country. I was most particularly impressed when the hon. member for Montmagny-L'Islet stated in his speech:

> I honestly and truly believe these views to be genuinely representative of the province of Quebec.

He said that the province of Quebec was "a province like any other province". Indeed it is true, Mr. Speaker, that the great majority of Canadian citizens in the province of Quebec believe their province is like other provinces.

A few years ago, when that great statesman, Right Hon. Mr. St. Laurent, was prime minister of this country and represented a constituency that is located in the very heart of the province of Quebec, he stated in a memorable speech that he too was of the opinion that the majority of citizens in the province of Quebec believed their province like any other province.

Who, at that time, rose to say that the province of Quebec was not a province like the others? It was the premier of the province of Quebec. He protested the words of Mr. St. Laurent, branding Mr. St. Laurent a traitor to his province.

And who, following the lead of the premier of Quebec, rose to say that the province of Quebec was not a province like other

provinces? Ministers, Union Nationale members of the legislature, and Union Nationale party hacks.

Therefore, Mr. Speaker, I am happy to congratulate the hon. member for Montmagny-L'Islet and to assure him of my unreserved admiration for having the courage to assert in this house, that the province of Quebec is a province like any other province.

Mr. Louis Fortin (Montmagny-L'Islet): Would the hon. member allow me a question?

Mr. Rouleau: Yes.

Mr. Fortin: When quoting me, would the hon. member kindly not confine himself to the words he chose but read on a few lines down to preserve the context?

Mr. Rouleau: I have been reading this out of *Hansard* and the sentence I just quoted is a full sentence.

Mr. Speaker, I do not feel I have distorted the words of the hon. member. I said a moment ago that I admired his courage, and congratulated him on making this statement. I hope he will not weaken now, and back down.

Mr. Speaker, we believe that the province of Quebec is like any other province. We, Canadians of the province of Quebec, have the same opinions regarding Canadians of other provinces, and we are entitled to the same prerogatives and the same rights.

Therefore, when I hear the hon. member for Montmagny-L'Islet speak as he did, I wonder why, in Quebec, the provincial premier refuses to let us share in national projects, such as the trans-Canada highway.

I also wonder why the premier of the province of Quebec systematically refuses to allow young Canadians in his province to enjoy the same rights and privileges as are enjoyed by Canadians in other provinces, and to benefit from the grants which are distributed by the central government?

Mr. Lucien Grenier (Bonaventure): Mr. Speaker, I submit that, in speaking before the House of Commons, the member who now has the floor is out of order in discussing the attitude of a provincial leader.

Mr. Pickersgill: This is a free parliament.

Mr. Rouleau: Mr. Speaker, I submit that these problems bear on the matter of federal-provincial relations. I am now discussing national issues, as would any Canadian of whatever province.

[Mr. Rouleau.]

(Text):

Mr. Speaker: As I followed the hon. member who has the floor, it occurred to me that his references to the premier of one of the provinces went outside of the necessary discussion of his conduct in so far as it is involved in federal affairs. I quite concede that it is in order to discuss provincial men in so far as their conduct is involved in what is properly the subject matter of debate in this parliament. However, I thought that the hon. member was getting a little bit afield at the time the point of order was taken.

(Translation):

Mr. Rouleau: I thank you, Mr. Speaker. As usual I shall comply with your directions and will discuss problems that concern the central and provincial governments, as in the case of grants to universities.

When my hon. friend interrupted, I was commenting on grants to universities. Not only does the government of the province of Quebec refuse to make such grants; it forbids those institutions to accept them. There is another matter in the same field, Mr. Speaker, that I want to mention. If the province of Quebec is like all the other provinces why does its premier systematically refuse to join the hospital-insurance plan initiated by the former Liberal government and implemented by the present government?

If the hon. member for Montmagny-L'Islet (Mr. Fortin), is sincere, and means what he said in this house, I ask him to use such influence as he may have on the provincial government to say to the leader of the government of the province of Quebec, that since Quebec is a province like all other provinces, it should participate in the Canadian way of life, and in all truly Canadian projects. Moreover, the best emissary he could send to the premier of the province of Quebec—in case he has no direct access to him—would be the Hon. Antoine Rivard, a member of the Duplessis cabinet, who campaigned very actively in favour of the new member for Montmagny-L'Islet and who, in fact, is largely responsible for his victory.

The great majority of Canadians, Mr. Speaker, of whatever racial origin, in whatever province they were born, have realized they are part of a large family, the great Canadian family. I am glad that Canadians from sea to sea, have finally realized that they belong to Canada first. As a young Canadian from

the province of Quebec, who has had the opportunity to travel across the country, I do say that, personally, I feel just as much at home in Vancouver, in Winnipeg, in Saskatoon, in Toronto or anywhere else in Canada, as I do in my province.

It is for this reason that I wanted to offer very special congratulations to the new member for Montmagny-L'Islet.

He made very appropriate remarks on national unity, although he could perhaps have gone a bit further, particularly in the light of recent statements by two members of the present cabinet. In fact, quite recently in a speech which she made in Toronto the Minister of Citizenship and Immigration (Mrs. Fairclough) stated, in the face of all of Canada, that the national anthem *O Canada* was perhaps a pretty song, but was not the Canadian national anthem.

I sincerely regret that, while speaking of national unity, the member for Montmagny-L'Islet did not see fit to point out those falsehoods. As was said by the hon. member for Papineau (Mr. Meunier), even if the national anthem *O Canada* is not set down as the national anthem of this country, since Canadian parliamentary institutions all came down to us from British parliamentary institutions, where tradition prevails, and since *O Canada* has been sung and accepted for years and years, I say that the only national anthem we have is *O Canada.*

Besides, along similar lines, Mr. Speaker, I really regret that, after dealing with national unity, the honourable member for Montmagny-L'Islet did not see fit to suggest the adoption of a distinctively Canadian flag, one that all Canadians could be rightly proud of, whatever their country of origin, whatever the province they live in, and which would be a symbol through which they would honour their country.

As far as I am concerned, Mr. Speaker, I want to say to this house and to the country that I am in favour of a Canadian flag having no sign emblematic of other areas than our own. I want an essentially Canadian flag, devoid of any mark which might suggest to other countries that this is not a free country.

Mr. Speaker, the hon. member for Montmagny-L'Islet deserves the congratulations of all the members and of all Canadians for speaking the way he did on national unity. But we cannot say as much about the other issues he covered.

This country is facing a problem which should be of concern to all Canadians, especially those in the province of Quebec. I refer to the C.B.C. producers' strike. The hon. member for Montmagny-l'Islet did not see fit to bring up that subject, but I must say that the stand taken by the government in the dispute between the Canadian Broadcasting Corporation and the Montreal Producers Association is really incomprehensible and unwarranted.

Yesterday the Prime Minister refused to answer the question asked by the leader of the opposition. The Minister of Labour (Mr. Starr) maintains he cannot intervene in this dispute, even though, under section 56 (1) of the Act, as was pointed out by the member for Laurier (Mr. Chevrier), he is allowed to intervene.

The Minister of National Revenue (Mr. Nowlan) claims he must stay out of the dispute and not interfere in C.B.C. matters. However, he had no hesitation in stating that the strike was illegal. He did not even try to justify this serious charge which, in fact is unwarranted. Mr. Speaker, to my knowledge, there has been no talk of raising the hon. minister to the bench, or of his being so raised to the bench, even though he might wish to be, and he is not at all qualified to express his views on the legality of this dispute.

Later on, in reply to a question asked by the member for Papineau (Mr. Meunier), the same minister stated that he had "no idea what salaries are being paid to C.B.C. personnel". However, that did not prevent him from stating at the end of his answer: "I am quite certain those salaries would be on a comparable level across Canada". In this answer, not only did the Minister of National Revenue contradict himself, but he misled this house, since all those who have even the slightest interest in the matter know—a fact of which the minister is not aware—that the salaries of the Montreal producers are anywhere from $2,000 to $5,000 lower than those of the Toronto producers.

Furthermore, last Tuesday the C.B.C., through their representative, Mr. Carter, sent an ultimatum to the producers, instructing them to report for work by noon yesterday or else they would lose their jobs. And here I quote Mr. Carter's letter:

> Normal television service has been suspended for the past three weeks during which the C.B.C. tried, through your association, to work out a solution to the strike you started. The C.B.C. must

always consider the public first. Consequently, I am instructed to tell you that if your association does not substantially modify its attitude, the C.B.C. will not be able to deal with it any more, and will have to take the necessary steps to restore regular service as from twelve o'clock, Thursday, January 22, 1959, It is after serious consideration and with much regret that the C.B.C. was forced to take this decision.

It is indeed an ultimatum. And yet, yesterday, the Minister of National Revenue was not afraid to state in reply to the Leader of the Opposition, and I quote:

I am not aware of any such ultimatum as the hon. gentleman mentioned, and there is no question of delivering such an ultimatum.

Besides, yesterday evening, in the news broadcast which it used as a medium of propaganda, the C.B.C. announced that it was suspending all negotiations with the producers' association and that it would attempt, with or without them, to resume normal operations.

Following all those contradictions on the part of the minister, it is difficult to put any confidence in his statements on the matter. It is most unfortunate that the government should have appointed him as its spokesman in this matter, considering the attitude he has taken. The responsibility really belonged to the Minister of Labour, who failed in his task, by his refusal to intervene. The same could be said of the Quebec ministers who remained completely mum on the question, except the Solicitor General who, when pressed by the member for Lapointe (Mr. Brassard), did not want to commit himself, and adopted the same attitude as that of the Ministers of National Revenue and Labour.

And yet, following the C.B.C. decision to stop all negotiations, the situation will become more and more serious. Here is what André Laurendeau wrote in yesterday's edition of *Le Devoir:*

—in its recent statement, in which it took pains to exclude all loop-holes, the management, with its threats, is condemning the strikers to the following alternative: either grovel in the dust and cringingly return to work, or fight to a finish.

I remain convinced that a shameful return to work, without dignity or honour, is of no interest to anyone. It would snap the spring. Producers, the performers, technicians, in fact all C.B.C. personnel are not engaged in the manufacture of raspberry jam. The work they do can only be done when their heart is in it. Humiliated men will no longer be able to do it.

We dare think that a dispute paralysing the whole C.B.C. French network,—thereby affecting nearly a third of the population, and all those in Canada who speak French and pay taxes,—we dare think that such a dispute deserves an hour of attention from Ottawa, as well as some efficient gesture of conciliation on the part of the supreme authority.

The Liberal party prides itself on having contributed, in the last few years to the development of an excellent French radio and television network. If this undertaking, so essential to our country, should be paralysed through the obstinacy and harshness of certain officials, the government should be held accountable, because it failed to take action in seeking an adequate solution to the dispute. The producers, the actors and the public in general will also call it to account, and rightly so, for its failure to protect their interests.

Now, what is at stake?

Not a small radio station in some remote hamlet of the Great North, but the whole French network, —both TV and radio,—the whole government-controlled French network in a bilingual state.

There was a time when Parliament was convened to deal with a railway strike. Can Parliament persist in its wait-and-see attitude. Is it that, as seen from Ottawa, a strike which paralyzes the whole radio and TV French network, seems so trifling a matter. Are we to believe that the central government supports the C.B.C. in all its positions? Finally, is it reasonable that the central government should let the C.B.C. scuttle its whole French network?

Whether it be mediation, arbitration or special legislation: anything will be better than washing one's hands of the whole matter.

[Mr. Rouleau.]

Mr. Speaker, what the hon. member for Montmagny-L'Islet (Mr. Fortin) could have mentioned, for instance—a matter which he failed to mention in his speech—are measures which should be taken by the government to stop inflation, recession and unemployment which are now plaguing Canada. If the hon. member for Montmagny-L'Islet did not talk very much about this matter, it is because there is almost nothing in the speech from the throne which might have given him a chance to do so. Everyone is of the opinion that the three matters I have just mentioned are the basic problems of the Canadian economy at the present time, problems affecting Canadians in all walks of life. Yes, we are now faced with all these problems I have just mentioned; they are facing us at the present time. And only a few members of the cabinet are aware of the seriousness of the problems they are facing: inflation, recession and unemployment.

The hon. Minister of Justice (Mr. Fulton) stated a few days ago, before a meeting of young Conservatives in Quebec city, that unemployment in Canada should be considered as an heritage left by the previous government. Well, Mr. Speaker, nothing could be more wrong. The Conservative government has been at the helm of this country for almost two years, and it has done nothing to solve these problems.

The present government has been unable to deal with these problems because it lacked foresight. There are other members of the cabinet who pretend to be unaware of what is going on at the present time in the country and, instead of assuming their responsibilities, merely say that everything will be fine next year.

The hon. Minister of Finance (Mr. Fleming) said a few days ago, as reported in the *Gazette,* that everything was fine in the country and that we were heading again for a golden era. That is not what I would call facing up to one's responsibilities to ensure a bright future for our country.

There are others who are more optimistic than that. In fact, no later than yesterday, I heard the hon. member for Parry Sound-Muskoka (Mr. Aiken), complain that the opposition was pessimistic with regard to the problems that face us, and he added: "Pessimism is hardly a characteristic of the Canadian population". I am in complete agreement with the hon. member when he says that pessimism should not be a characteristic of the Canadian people. Our country is wealthy, it has influence in world affairs, and therefore its population should not be pessimistic as to the future of the country. However, I should like to know the thoughts of the 440,000 people who were jobless in December. I should like to know the thoughts of fathers who cannot find a job, who have no money to pay the rent or to buy food and clothing for their children; I wonder what these people think of these statements made by members of the present government, and how they could feel optimistic.

If in a country as rich as this, a man with a family is unable to earn a living, how can the people have confidence in this government? While Canadians can rightly feel confident of their country's future, it is also true that they have grounds to feel pessimistic with respect to the leadership given to the country by this short-sighted government on whose shoulders rests the responsibility for unemployment, for the recession and for inflation. The members on the government side apparently have not yet recovered from their honeymoon. They never expected to gain power in 1957, and they travelled across the country making irresponsible promises.

Mr. Speaker, my attention is drawn to the fact that there is at the moment no minister in the house. This shows the extent of their interest in the affairs of the nation, and it also shows, as I have just stated to the house, that the members of the cabinet are still on their honeymoon.

As I was saying, the members of the cabinet and members of the government stalked the country in 1957, promising heaven on earth.

Mr. Speaker, I greet the hon. Minister of Northern Affairs and National Resources (Mr. Hamilton), who has just entered the house.

Mr. Speaker, when they stalked the country in 1957, they represented themselves to the people as supermen. They were allegedly able to distribute all the wealth of the country and to make everybody happy. But what has happened since they took power? Today, Canada is faced with the situation I have described. Because of their lack of ability, their lack of foresight and their short-sighted policies, they have plunged the country into a situation such as we have never known in 30 years. Those supermen, Mr. Speaker, in the eyes of the whole country, those supermen now appear as experts in the art of metamorphosis and disguise. During the election campaign, in 1957, they disguised themselves as Santa Clauses, promising, as I said, heaven on earth in order to grasp power. To my mind, they have become such comedians that they should be called in as guests on the Ed Sullivan show, or perhaps act as substitutes on the French T.V. network, for all those actors they want to fire.

An hon. Member: They gave themselves the boot.

Mr. Rouleau: After being elected to manage the affairs of this country, they disguised themselves, after the last session, as carrier pigeons, I must point out here that I am not alluding to the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). I understand he has hopes of becoming parliamentary secretary, or even a cabinet minister, but in fact, he has not had the opportunity, as did the others, to travel in the fashion of a carrier pigeon.

During the last session, members of the cabinet took the guise of carrier pigeons. They travelled all over the globe. While one was in South America, another was in Japan, and another in Europe. And during their stay abroad, as carrier pigeons, they underwent a metamorphosis and became parrots. While one was saying one thing in South America, and the other was saying something else in another country, still another one was saying just the opposite in Japan. And when they came back, they were interviewed by newsmen.

Mr. Grafftey: This is the same speech you made to McGill students.

Mr. Rouleau: And you were defeated, too, at McGill. Since the hon. member has interrupted, may I explain that I had the opportunity to be present with him on the same stage, in front of McGill students, in the

course of a debate as to whether the government deserved confidence; and the students defeated the government.

Mr. Grafftey: Yes, but not when they came before the people.

Mr. Rouleau: When they were questioned by newsmen, we heard them say: "I did say it; I did not say it; it is not what I wanted to say; I was misquoted". The result is, in so far as vital questions affecting the Canadian economy are concerned, that the Canadians do not know where they stand, they do not know where they are going and, like the members of this house, they do not know yet what to expect.

Mr. Speaker, after their transmogrification, after shedding the guise of quondam supermen to take on the guise of Santa Clauses, carrier pigeons and parrots, members of the cabinet decided, when faced with the problems submitted to them by the opposition, to turn their backs on it, on this country's problems, and to change themselves into ostriches, so as not to see the dangers that threaten us.

Just like ostriches do, they bury their heads in the sand and show only the other end of their tuft, which they spread out in the wind, as if everything were just fine in this country.

Others who managed this country before them used to wear their plumes high on their heads and knew how to face Canada's problems. Laurier, King and St. Laurent have faced Canada's problems, and instead of hiding, like ostriches, so as to avoid looking for solutions, they knew how to meet the situation and solve these problems adequately, in the best interest of Canada.

When we came here, in Ottawa, for the opening of this session, Mr. Speaker, and even earlier, the government knew very well that it would have to meet serious financial problems. Yet, in the speech from the throne, and since that day, there has been no clear indication that the government has definite plans to meet them. Will the government reduce taxes to help Canadians? Will the government increase taxes to meet this situation? Will the government substantially reduce federal expenditures, as it had promised earlier? No one knows. The people of Canada do not know. The members of the government continue to prove that all they know is how to improvise. Some cabinet members and others on the government side, when interrupting members of the opposition, who were chiding them for their indifference, asked us to find suggestions.

During the last two election campaigns and the last two sessions, the leader of the opposition and members of the opposition have made practical suggestions to the government. We all know that it is not the role of the opposition to govern. The government has to face its responsibilities and settle the problems with the help of advice given to it.

Finally, I want to make some constructive suggestions concerning the city of Montreal, the metropolis of Canada, which I have the honour to represent here.

Yesterday, I asked to the Minister of Labour if he had definite plans to relieve the unemployment situation in Montreal and to give employment to the 88,000 jobless in the city.

Mr. Speaker, I wonder if these problems that I have mentioned, and that are of interest for the whole country, do not apply to the city of Montreal.

Since I represent the riding that is part of the island of Montreal, for a few minutes, I will speak of the problems we have to deal with in Montreal. Yesterday, I asked the Minister of Labour (Mr. Starr) if he had any concrete suggestions to make in order to settle the problem of unemployment in Montreal where at present there are 88,000 unemployed. The minister, in an attempt to dodge the question, answered that at the present time there are 100 projects to reduce unemployment in the province of Quebec, and that most of those 100 projects were in the city of Montreal. After this answer, I made some inquiries. I phoned Montreal authorities and, Mr. Speaker, what was the truth in all this? Well, the answer I got in Montreal was much different from the one given to me by the Minister of Labour who, besides, had to withdraw his statement, no later than today. At the moment, no project has been accepted by the federal government to help settle the unemployment problem in Montreal, for the simple reason that no project has been submitted. Why did the Minister of Labour tell us yesterday that public works projects had been approved by the city of Montreal when none had been submitted?

Mr. Speaker, we are now nearing the end of January and the arrangements which enable us—

Mr. Grafftey: What page are you on now?

An hon. Member: Be quiet. Be a good little boy.

Mr. Rouleau: The same thing will happen to you as at McGill!

Mr. Speaker, we are now nearing the end of January and the works to be carried out under the offer made to municipalities have to be completed by next April 30. If our municipal authorities do not get approval for their works projects before the end of February, how can they help the unemployment situation in Montreal? According to the information I have received from municipal authorities, the proposed works, even if carried out, would provide jobs for only a few hundred unemployed, whereas there are as many as 88,000 in the city.

We were asked to submit definite projects regarding the works which could be carried out. For the city of Montreal itself, there are scores of major works projects which could be implemented.

Everybody knows that a large tract of land belonging to the federal government, in the city of Montreal, is located behind the court house and the city hall. It is the property usually referred to as the Champ de Mars. On January 8 last, the city of Montreal on the motion of councillor Gagliardi, seconded by mayor Sarto Fournier, asked the federal government for permission to erect a reinforced concrete structure on the Champ de Mars for parking purposes. A copy of the resolution was sent to the right hon. Prime Minister as well as to the hon. Secretary of State (Mr. Courtemanche). This letter was sent on January 8 and since then nothing has been done. However, such a project would not only contribute to alleviate the parking problem in a congested centre of Montreal but would also provide employment.

I shall now mention briefly some other projects which could be carried out in Montreal and which other members for Montreal will advocate in the coming days.

The federal government could build a four-lane highway alongside the river, on the Montreal harbour, since it is federal government property.

The government could also consider the feasibilty of contributing to the construction of an east-west north-south subway in the city of Montreal. A subway of this kind could be used as an underground shelter in case of war.

It would also be possible for federal authorities to contribute to the construction of a road under the mountain, which would also relieve traffic congestion in Montreal.

It would also be appropriate for the federal government to contribute on a large scale to the construction of a metropolitan boulevard in Montreal to serve as a section of the trans-Canada highway. Incidentally, when will the Quebec premier agree to participate in the national life of our country?

It would also be in order for the federal government to participate in the construction and development of municipal parks. More municipal parks are needed in Montreal, and I am convinced that some contribution by the federal government, not only would help relieve unemployment in Montreal, but would assist our young fellow Canadians.

Furthermore, it would be in order—and I referred to this in the course of the last session—to demolish the twelve slum areas we have in Montreal and replace them by houses which could help improve the welfare of our people.

At this stage I should like to support heartily the resolution adopted by the real estate board for the replacing of slums by co-operative apartments.

These are, Mr. Speaker, some of the projects I am suggesting to the government. I spoke about projects of interest to the city of Montreal, but the federal government could undertake similar works in all other Canadian cities, in view of the fact that it has decided to fight inflation, recession and unemployment through a huge public works program.

The present government determines what course is to be followed, so let the government accept its responsibilities, and let it undertake work projects, in places where such projects can relieve the unemployment crisis.

There would be other methods, much more effective, such as those put forward by the Leader of the Opposition during the last election campaign, to stabilize the Canadian economy. However, the government has embarked upon a program of public works, so let us have some immediate action, let us have public works immediately. In that way, work will be provided for those who are idle, and at the same time, things will be built that will remain as monuments in which everyone may take pride.

Mr. Speaker, I have in the course of my remarks expressed certain criticisms, but this was done in a constructive spirit, in the hope that we may always be proud of our beautiful country and also in order that our fellow

citizens may confidently expect to continue enjoying the standard of living to which they have been accustomed.

Mr. Speaker, I speak sincerely and have no intention of stooping to petty politics, my only ambition being to help my fellow citizens, as it is my duty as a representative of a Canadian constituency.

(Text):

Mr. L. R. Crouse (Queens-Lunenburg): Mr. Speaker, may I first join with several hon. members who have preceded me and who have expressed their approval of and their satisfaction in the fact that you will again preside over the deliberations in this house. During the period that I have had the honour to represent Queens-Lunenburg I could not help but be impressed by your ability, your fairness and your sense of duty and I am certain that the affairs of this house will be conducted during this session as in the past in fairness to all and with approval of the whole house.

I would like at this time, Mr. Speaker, to congratulate the mover, the hon. member for Provencher (Mr. Jorgenson), and the seconder, the hon. member for Montmagny-L'Islet (Mr. Fortin), of the address in reply to the speech from the throne. Though separated by great distances these two hon. gentlemen have two things in common. They have youth and an earnest desire to assist the people who have elected them to this parliament.

As one of the members from Nova Scotia I should like, on behalf of the people of that province and of the people of my own constituency of Queens-Lunenburg, to have the opportunity to voice our appreciation of the outstanding work done by the Minister of Public Works (Mr. Green) in the past year. He has at all times lent a very sympathetic ear to our problems and the people of my constituency are pleased with the work that has been done and the work that has been planned for the coming year. Many of those projects are long overdue. In addition to providing much needed facilities for the people in the riding they are also providing work. In complimenting the minister may I say I hope he will not become complacent because there is still a number of projects awaiting his attention in the constituency, and if I should be insistent and impatient I hope he will realize that I am only trying to better the condition of the people I represent.

In complimenting the minister I would also like to make reference to the simultaneous translation system which has been installed in this chamber in a building which comes under the supervision of the Department of Public Works. I am sure all of us appreciate the provision of this new facility; it has improved our enjoyment of the debates and I would like to suggest to the government that this facility be extended to the galleries so that those of the public who are interested in the affairs of parliament and in the government of this country may also enjoy the debates as they are carried on in both languages.

I should like at this time, Mr. Speaker, on behalf of the people of Queens-Lunenburg to renew our pledges of loyalty to the Prime Minister (Mr. Diefenbaker). My words are most inadequate to express to him our feelings for what he has done for my constituency, for Nova Scotia and for Canadians generally. His recent tour did much to strengthen the ties of friendship among the countries which he visited and in travelling throughout my riding I found that there could be no mistaking the great depth of feeling and admiration in which he is held by everyone.

I have the honour to represent the constituency of Queens-Lunenburg in Nova Scotia. It is a constituency that is bound on the east by the dual riding of Halifax and Colchester-Hants, on the north by the riding represented by the Minister of National Revenue (Mr. Nowlan), Dibgy-Annapolis-Kings, on the west by Shelburne-Yarmouth-Clare and on the south by that mighty, moody, restless taskmaster, the Atlantic ocean.

My people in Queens county are primarily engaged in lumbering, farming, fishing and industry. They have one of the largest pulp and paper mills in Canada, located in Brooklyn, and certainly one of the most efficient. In Lunenburg county my people are engaged in farming with some lumbering and manufacturing industries, as well as both inshore and deepsea fishing operations. In this county my home town was founded in 1753 by thrifty, God-fearing Hanoverians, French and Swiss colonists. Lunenburg preserves today a quality and an atmosphere unique among towns in the maritimes. There is a quality of individualism about those people which extends throughout the length and breadth of my constituency.

When Queens-Lunenburg was settled there were the usual hardships which the colonists endured; occasional and bloodthirsty attacks were made on outlying farms by Micmac and Malecite Indians, and during the American revolutionary war the coastal towns of Liverpool and Lunenburg were frequently raided by ships from Salem and other east coast ports. In spite of those handicaps, however, our people progressed and the heritage of the original settlers has been cherished from generation to generation. Because of our geographic location our economy throughout the years has revolved around ships and the sea.

In its wake the fishing industry has brought to my constituency a whole fleet of allied industries, all of which are in a healthy and expanding condition: marine engine manufacturers in Chester, Lunenburg, Bridgewater and Liverpool and builders of wooden ships of all sizes in Chester, Mahone Bay, Lunenburg, Dayspring and the Liverpool area. In addition to this, Liverpool and Lunenburg can boast of marine railways for the hauling of ships as well as adequate refitting yards to carry out necessary repairs, and during the past war those yards contributed to the war effort by suitably refitting naval vessels, minesweepers, corvettes and frigates.

I mention these facts, Mr. Speaker, because here is a constituency that has literally pulled itself up by its own bootstraps. Forced from the beginning to make their living from the soil or from the sea, there is no more rugged group of individuals in Canada than the good people of my riding. By their own efforts and with very little help they have maintained a fairly high level of employment throughout the years. This was accomplished by careful planning, saving, perseverance, diligence and hard work, and the same is true today.

We have heard since the beginning of this session about the unemployment problem that affects some parts of Canada and the insistent effort by members of the opposition to lay the unemployment problem at the feet of the government. We are all aware of the unemployment situation existing throughout Canada today and every responsible member of the house is kept constantly informed of conditions within his own riding. Unemployment is not something new. Recessions and unemployment go hand in hand, and the Leader of the Opposition (Mr. Pearson) left no doubt about the inheritance of the government when he used these words on Monday, January 19, as found at page 35 of *Hansard*, as he looked across at the government benches, "those men who later could not see it when they were in the middle of it."

Yes, Mr. Speaker, in 1957 we were in the middle of our inherited recession. We took over a leaky ship of state and we immediately set to work to make our ship seaworthy. We are now on course and we are sailing steadily forward despite efforts by members of the opposition to rock the boat. Unemployment is not something that just happens by itself and it will not be cured by the foghorn-like bellowing we have experienced in the last few days from hon. members of the opposition and the C.C.F. The government has instituted a most effective program of winter work to cope with this situation but the two opposition parties have as many criticisms of this program to relieve unemployment as there are dogfish on a summer trawl line and they are about as valuable.

Increased social and welfare benefits, as suggested by both opposition parties, are not the answer at the present time. Such programs only redistribute money. They do not create wealth. For the most part the people in my riding, who make their living from the sea and the soil and from lumbering, know that you can only share that which is first earned and the greater the earnings the greater the share for each person. They long ago learned that the only way their standard of living could be improved was by increasing production and sales, and their present standards were achieved by hard work and dedication to their tasks.

I believe the time has come for Canadians to stop and consider the foundations upon which this country's progress and the people's high living standards and the social security they now enjoy really rest. It was not socialism that built Canada's great cities, towns and villages. It was not state planning that directed the pioneers to explore and open up this great country or provide Canada with the manufacturing industries that give employment to many thousands of people. It was not government that brought the country's great resource industries into being. It was not officialdom that created an economy prosperous enough to provide such things as unemployment insurance, old age pensions and family allowances. No, Mr. Speaker, Canada's growth, prosperity and high living standards were built in a different way.

They developed because people were able to save with confidence, to invest freely, to take risks in new enterprises and to expect a reasonable reward for their initiative. These were the foundations upon which confederation was established and, while some of them lost money, while others were rewarded for their risk-taking, the greatest beneficiaries were the people of Canada themselves. They were provided with the goods and services they needed or wanted at prices that they were willing or able to pay. These prices were determined freely by bargaining between buyers and sellers in the open market place. I believe these basic truths are worth remembering today because the growth of Canada and the prosperity of Canadians in the future, certainly no less than in the past, depend upon such factors as incentive, savings and investment.

There is a dangerous trend evident in the thinking of many Canadians. This trend is fostered and abetted by socialist groups in Canada, not all of whom travel under the

label of the eight members in the far corner of this chamber. These socialists abhor the word "profit" ignoring the fact that when we do not have profits business and industry close down and we see loss of employment. Without profits less funds are available for expansion of existing industries and for the opening up of new industries. These are the two big sources for new jobs. Without profits less funds are available for the purchase of better tools, and in today's business world modernization is the key to success. The firm that cannot buy new tools cannot compete with those who do and goes out of business. Without profits there are no funds for new research or new product development and growth and expansion are stopped.

The plain truth is that profits create more jobs while losses create unemployment. If we are to move out of the present unemployment situation we must provide a healthy economic atmosphere in Canada for the free growth and expansion of our large and small business enterprises.

My home town of Lunenburg this year celebrates 206 years of free enterprise and progress. There is a business firm there named Zwicker and Company which has been active for 170 of those 206 years and their belief is that such a record would not have been possible under socialism, communism or any of the other isms except, of course, capitalism. This is the point I wish to prove and the belief to which I subscribe. In a growing nation with an expanding economy I believe that capitalism and free enterprise, if given an opportunity, can and will provide the answer to all our employment problems.

As I come from a maritime riding I should like to say a few words about shipbuilding, ship repairing, their allied industries and their importance to Canada. I am pleased to note in the speech from the throne that an amendment will be presented to the Canada Shipping Act. Canadian shipyards are widely separated geographically. To take care of the needs of international sea transport and the coasting trade, shipyards are required in the maritimes, the St. Lawrence area, on the great lakes and the Pacific coast of Canada. In fact, fully integrated organizations of design and technical forces and skilled shipyard personnel and facilities must be maintained in four separate and distinct areas for commercial purposes as well as for reasons of national security.

Shipyards and navies go together. The Royal Canadian Navy cannot function without shipyards in Canada to service and repair its ships and to build new ones as required. It must also have the assurance that shipyards will be available and ready to repair major damages that its ships may suffer in the event of war. In addition, facilities must be available for servicing Canada's inland and coastal fleets, the government's own service vessels and foreign vessels calling at Canadian ports.

The level of employment in the shipbuilding industry is steadily dropping and unless positive steps are taken it will continue to decline. At the peak of the naval building program more than 15,500 men were working in the shipyards. In October of this year employment had dropped to slightly over 10,000, the lowest figure since 1950 when the naval rebuilding program was first started. Of the fourteen destroyer escort vessels in that program, nine have been commissioned and are in service with the Royal Canadian Navy. The remaining ships will be completed and commissioned some time this year. This shipbuilding program enabled shipyards in the four strategic areas of Canada to build up competent teams of skilled workers. The completed ships have undergone tests and their performance has exceeded the expectations of their designers and builders.

They have drawn praise from our friends and allies the British, Swedes and Norwegians. The shipyard teams, with their special skills to build these fine ships, are now being rapidly disbanded as a result of the slowdown in naval shipbuilding. It is true that this condition has been alleviated to some extent by shipbuilding orders placed by the Department of Transport. While this work has been helpful, it is not sufficient to keep a reasonable proportion of our yards busy.

Our Canadian way of life, with its high wage structures, results in Canadian shipbuilding prices being considerably higher than those applying in Japan, Germany, Great Britain and other competitive shipbuilding nations. Since Canadian shipyards cannot match competitive costs, orders for export shipbuilding are out of the question. Few orders can be expected from Canadian ocean ship operators who feel they cannot add to the relatively high operating costs the first cost of building their ships in Canada unless some special incentive is offered to offset the high first cost. The only remaining potential source of commercial orders is the building and repairing of ships for the Canadian coasting trade and the fishing industry.

In the event that the recommendations to the royal commission on the coasting trade are looked upon with favour by the government, this source of business will disappear entirely. Despite the predictions that Canadian flag shipping in the coasting trade will end when the useful life of the existing fleet is terminated and its place taken by

ships built and registered in the United Kingdom, the royal commission took the view that the marine industry in Canada should be dispensed with rather than helped. The fate of the Canadian shipbuilding industry, according to the royal commission, is to become little more than a repair industry. This, Mr. Speaker, is dangerous thinking. Most trading nations of the world have recognized the need to foster the development of their shipping and shipbuilding industries, and they have adopted policies of one form or another to encourage their maintenance.

The United States has the most liberal policy of all nations for aiding its marine industries, and I am not thinking of "Liberal" in the sense that the opposition may be thinking of it. From as far back as 1817 United States coastwise trade has been reserved by statute to vessels built in the United States and owned and operated by United States citizens. This assistance takes the form of cargo preference provisions, tax benefits, mortgage aid and trade-in allowances. All of these things have served to keep a large tonnage of United States merchant ships on ocean trade which otherwise would have disappeared. A study of other major shipping nations, including the United Kingdom, will show that they have found it necessary to grant some form of assistance, financial or otherwise, to maintain their fleets and to compete in the highly competitive field of international shipping.

I do not suggest that this government propose a program of aid as extensive as that being carried out by the people of the United States. However, I do believe we should have a well defined national policy of aids, similar to those adopted by other large shipping and exporting nations, which would create the proper economic climate in which our shipyards could secure orders. I believe a shipbuilding and ship-repairing industry in Canada, with adequate continuing production, is an indispensable need in a troubled world. Canada and Canadians cannot afford to allow their shipyards to become progressively less busy until they disappear. Without some measure of aid the Canadian shipbuilding industry will gradually disappear and Canada will have lost an essential instrument of defence.

Speaking of defence, Mr. Speaker, I am reminded of another important point which I would like to bring to the attention of this government. The speech from the throne makes reference to NATO in these words:

> In concert with its allies in the North Atlantic Treaty Organization, Canada has reaffirmed its determination to maintain and improve the power of the alliance as a deterrent against aggression.

We are all aware today of the great expense involved in maintaining the early warning radar bases in the northern parts of Canada and of the great emphasis placed upon the government's decision regarding the CF-105 and its alternative the American-made Bomarc missile. I do not wish to minimize the importance of these decisions, but wish to point out that all of them are based on the theory that Canada and the United States only need defence on a north and south basis. What about our east and our west coasts. Canada is touched by the sea on both the east and west coasts. The great oceans of the world are essential to the economic well-being of our country in that they produce a yearly harvest of fish and carry our commerce to the four corners of the world. They are, therefore, vital to our continued existence as a free and civilized nation.

These same great oceans, however, also shelter within their depths the greatest threat to the security of this country that we have ever been called upon to face. This menace is the submarine, a sinister black shape, lethal, invisible, and stalking its prey from under the sea. Today, the Russian undersea fleet numbers between 500 and 600 submarines. This total is increasing steadily under the impetus of a huge naval building program. While some of these submarines may be obsolete it is known that following the armistice the Russians acquired several of the most advanced types of German U-boats developed in the late stages of the war.

The harnessing of atomic power has seen its first application to ship propulsion in the submarine, and has immediately resulted in higher speeds, especially when submerged, and in the capability of remaining under the surface for almost indefinite periods. The submarine was always a formidable weapon of war, and it would now appear to have acquired a measure of superiority over its enemies which makes it extremely difficult to combat. In addition, when you add to its already greatly increased efficiency the capability of launching ballistic and guided missiles, not only from the surface but from submerged positions as well, the submarine becomes a most dangerous foe.

Let us analyse this threat to Canada. We have heard discussions of this subject. We have heard questions asked about where ballistic missile bases would be placed in Canada. We place a great deal of importance on this problem. The modern submarine can be employed as a commerce raider attacking merchant ships singly or in convoy, as a minelayer or as a missile launching platform. As a minelayer it is quite capable of entering

a port, laying mines and leaving the area without anyone knowing that it has done its work. It is as a guided missile launcher that the submarine poses its greatest threat. From a position off either of Canada's three great coastlines, the Atlantic, Pacific or Arctic, which are approximately 60,000 miles long, a missile-equipped submarine could send its death-dealing projectile far into the heart of this country. Whole cities, huge industrial areas, and many of our most important defence installations lie within range of these invisible foes. One missile, fitted with a nuclear warhead, is enough to destroy any one of these areas.

Any aggressor nation planning an atomic war could not find a more suitable weapon than the modern missile-firing submarine. Under international law and because of its own invisibility such a submarine can roam the oceans of the world at will. It can carry out surveys—believe me they are carrying out surveys, for I am in the fishing industry and receive reports from my captains that these submarines of unknown origin are operating on the Atlantic ocean, some of them fairly close to the fishing banks that lie off the east coast. As I said, it can carry out surveys and compile the charts that are necessary to determine the exact position from which to launch an attack, so the danger and the threat are obvious. It is an extremely difficult and tremendous task, requiring large numbers of men and materials, to counter this threat.

However, it must be done; and with the full support of the people of Canada and our allies of other NATO nations, it can be done. The prize in any future war will not be Europe with its overcrowded cities, but Canada with its unlimited resources and its room to expand. Here then is a challenge to the people of this country and to the government to take immediate steps to increase our own submarine fleet. In this way we could demonstrate that any attack against us would be doomed to failure and also that we possess the means, if necessary, to counter-attack.

Mr. Speaker, at this time I should like to say a few words about our fishing industry. During the past year there has been a marked shortage of groundfish on the Atlantic coast. When I spoke of groundfish, my seatmate asked if that was something similar to hamburger. I should therefore like to explain, to those who are not familiar with this term, that groundfish is not hamburger made out of fish. The term applies to those fish which are caught in prolific quantities off the east coast and which consist mainly of cod, haddock, pollock, hake, cusk, and rosefish, to name some of the leading varieties. As I say, during the past year there has been a marked shortage of groundfish on the Atlantic coast, with exceptional declines shown in the landings of cod and haddock, with catches of both species being down 18 per cent and 23 per cent respectively as compared with last year. This shortage has resulted in a staple market for fresh and frozen fish and has improved the prices paid to the primary producer. In fact, there has never before been a time in Canada's history when prices paid to the primary producer, the fisherman, were as high as they are today under the Conservative government.

I am glad to see that the Minister of Fisheries (Mr. MacLean) is present with us this afternoon for he is also to be complimented on the implementation of the new fresh fish inspection program which will become effective in April. This program will mean greater control over the quality of fish packaged by the many shore processing plants throughout the maritimes, and will enable fishermen who land a high quality product properly cleaned and iced to receive a better price for their catch, as the emphasis is now on quality. This emphasis has made the fisherman realize he is handling a food product, and this year, for the first time in Canada's history, fresh and frozen fish will be labelled "government inspected" or "Processed under government supervision". The implementation of this program should provide a boost for fishery products generally, for the Canadian housewife will be able to buy fish so labelled, with every confidence that she is getting the finest product available.

In the salt fish industry, however, there is a different story, with some troublesome marketing problems. Our salt fish exporters have had a favourable market in the Dominican Republic. However, this republic has a very unfavourable trade balance with Canada, and we know what that means. We have heard a good bit of comment about unfavourable trade balances. In 1957 they imported from Canada goods to the value of $5 million, and their exports to Canada had a value of only $1.3 million. The prosperity of the Dominican Republic depends upon agriculture, with sugar being their chief crop. Canada has not imported any raw sugar from the Dominican Republic since 1955, and the amount imported at that time was only 12,850 tons. The reason for this situation is that Canada extends a tariff preference on the raw sugar imports from commonwealth countries of $1 per 100 pounds, which tariff discriminates against non-commonwealth sugar producing countries such as the Dominican Republic. The inequity of this situation

is that Great Britain extends a lower preference on commonwealth raw sugar than does Canada, and Britain now imports the bulk of its sugar from the Dominican Republic.

On the other hand, Canadian fish exports to the Dominican Republic amount to about $1.5 million a year, and practically all of this fish consists of dried salt pollock, hake and bloaters. In fact, it is the most important single market for these products, taking over 50 per cent of the annual output of Nova Scotia's fishermen. It can readily be seen that this market constitutes an important source of income for a great number of our fishermen, particularly in western Nova Scotia.

Recently a Norwegian trade mission was in the Dominican Republic with a view to fostering greater trade between Norway and the republic. Should the republic take steps to divert its purchases of these fishery products to Norway, Mr. Speaker, you can well imagine the impact this action could have on this particular segment of our Nova Scotia fishing industry. Frankly, I know of no alternative market because, apart from British Guiana, salted pollock and hake are not preferred over salted cod in the Caribbean countries. Quite apart from the fact that sales to British Guiana could not be increased to a point of absorbing the surplus which would result through the loss of the Dominican Republic market, the republic invariably pays higher prices for these products.

In view of the importance of this matter, I would request that the government review Canada's tariff preferences on raw sugar with a view to lessening the present discrimination against sugar imports from these non-commonwealth countries which are the most important salt fish markets for our maritime exporters. For the information of the house, I should like to point out that we sell more salt fish to non-commonwealth countries than we sell to commonwealth countries, and that existing tariff preferences to these commonwealth countries in the Caribbean are detrimental to our fishermen and work a hardship on the industry.

In the fresh fish industry the government's present assistance policy of $160 per gross ton on ships up to 65 feet in length has been of material help to many fishermen who operate small boats. However, experience has proved that on a year-round basis these small draggers cannot be operated economically. They are handicapped from December through to the following March by high winds and winter weather and consequently cannot operate, while they are faced with fixed charges such as radar rentals, radio telephone rentals and insurance which constantly add to their expense and decrease their earnings.

I believe the time has arrived to encourage the building of larger boats which can fish twelve months of the year and can utilize the resources of our great offshore banks. Canada today is lagging behind some other countries in modernizing her fishing fleet, particularly trawlers; and any changes made in government policy should be with a view to assisting and encouraging the fishing industry to acquire the most modern implements of production. In my opinion, this step is absolutely necessary if our Canadian industry is to compete successfully in the catching of fish and to keep pace with these other producing countries. I believe this step is necessary if we are properly to expand and develop markets on this continent in the most economical way and if we are to operate efficiently and maintain full employment in the industry. I believe this step is also necessary if our processing plants are to have an adequate year-round supply of quality fish. To this end more encouragement should be given to the building up of a modern fleet of large trawlers which are the only productive units capable of keeping an adequate supply of fish on the market every month of the year.

With these objectives in mind I respectfully suggest that the government give consideration to the building of a modern fleet by instituting a system of investment allowances as is now being done in the United Kingdom. These increased depreciation allowances should run as high as 65 per cent and should apply on all ships built in Canadian yards. To guarantee the expansion of the fleet, the amount accumulated by these allowances should be made to apply toward the construction of new fishing draggers. In addition to this, I believe the present assistance plan offered by the government should be increased, as the cost of ship construction has advanced materially in recent years.

Of further and final interest to the fishermen of my riding is the present regulation which requires large Canadian trawlers to fish outside the 12 mile limit, while all trawlers, regardless of size, of any other nation are permitted to fish within three miles of our shores. I believe it is time this regulation was revoked, for it is a ridiculous situation which permits foreign trawlers to fish within three miles of our shores while it is illegal for some of our Canadian trawlers to fish within 12 miles of our coast. I realize that it is the desire of the Canadian government to bring about an international agreement on a 12 mile fishing limit, but charity begins at home, and until such time as this

can be accomplished, this discrimination against our own larger trawlers should be removed. I firmly believe that implementation of these recommendations would be a great forward step for the Canadian Atlantic coast fishing industry and greatly improve working conditions for these hardy men who make their living on the sea.

Mr. Deputy Speaker: It would be appreciated by the chair if hon. members would try as far as possible not to read every word of their speeches. I am not implying that this was done by the last speaker, because he certainly did not do so, but it is preferable that hon. members should deliver their speeches rather than read them. The co-operation of hon. members in this respect will be appreciated.

Mr. Frank Howard (Skeena): I should like first of all to extend my congratulations to the hon. member for Queens-Lunenburg (Mr. Crouse) who has just completed what I consider to be an excellent analysis of the problems of the fishermen on the Atlantic coast, and I hope that his representations with respect to year round fishing and with respect to the elimination of the foolish 12-mile and 3-mile limit business will eventually lead to action. I cannot, of course, extend any such remarks to him with respect to what the capitalist system can do and what it is good for; we all know that he and I disagree on that.

It appears to be a coincidence that today, as on the last occasion when I rose to take part in the debate on the address, the only cabinet minister present in the house should be the Minister of Fisheries (Mr. MacLean). I hope that he and I are not going to develop this into a regular practice; the comments I may have to make about fishing will be reserved for another time when I am able to deal with this subject more specifically.

It is in no perfunctory way that I wish, in addition, to extend my congratulations to the hon. and attractive member for Grenville-Dundas (Mrs. Casselman) on her election to this house. It has always been my thought that there are far too few women who participate in politics; certainly far too few who have the privilege of being elected either to this house or to the provincial legislatures or to the municipal councils. I am sure that if we had more people in our public life possessing that peculiarly womanly trait of being able to get to the heart of a problem and then to suggest a solution, we would probably have much more sense arising out of the legislation we make. I say this in a general way, because, naturally, all members of the hon. lady's sex are not endowed with the same measure of ability. I wish her well, and I hope that she along with her two colleagues, the other two lady members, will have some influence in the party caucus and bring some sense and logic to the decisions of this government, because certainly if there ever was a government which needed sense and logic brought to its attention, and influence imposed upon it, it is this one.

It is fitting that the opening of this session should take place in the month of January, because if I recall accurately what little knowledge I have of Roman mythology there was a Roman god called Janus after whom this month was named and this government, like Janus, has two faces, one of which it presents to the general public at election time, on television broadcasts and at social events. This is the face of help, the face of assistance, the face of promise. But it wears its other face when action is desired, whenever action is necessary as far as legislation is concerned.

Some of the backbenchers of the Conservative party who have taken part in this debate appear to have concentrated their attention on one small sentence in the speech from the throne. They appear to have been blinded by a mere 20 words in that speech and to have forgotten all the other matters which were omitted from it. The fascination and charm exercised by that one sentence have resulted in far too much buttering up of the Prime Minister (Mr. Diefenbaker)—far too many laudatory remarks about the government, references to individuals being the greatest Canadians who ever lived, and so on—the hope being that as a result some of them would be among those chosen few who would end up by being parliamentary secretaries.

Mr. Pallett: On a question of privilege, Mr. Speaker, the hon. member is now making an allegation about the motives of other hon. members who have spoken, and I suggest it would be proper for him to withdraw that remark.

Mr. Howard: I thank the hon. member for having raised whatever he did raise.

It appears, Mr. Speaker, that apart from this—

Some hon. Members: Withdraw.

Mr. Howard: I would remind the hon. gentleman down there that he is not sitting in the chair.

Mr. Deputy Speaker: I must remind hon. members that if they wish to ask questions while another hon. member has the floor they must first obtain his permission. They may then ask the question. However, hon. members are not permitted to interrupt a speaker.

Mr. Pallett: I notice that another hon. member was at the side of the chair speaking to you during the time I rose. I rose, Mr. Speaker, on a point of order.

Mr. Deputy Speaker: Did you mention that you were raising a point of order? An hon. member must mention that he wishes to raise a point of order.

Mr. Pallett: The point of order was this: the hon. member for Skeena referred in his remarks to backbenchers on the government side complimenting ministers on the excellent work they were doing with a view to obtaining promotion within the government ranks, and I suggest to you that by that reference he is making an imputation of motives which is quite improper and which should be withdrawn.

Mr. Howard: Mr. Speaker, parliamentary ways of doing business have many variations and some of us at one time or another may have different points of view as to what is and what is not correct. We tend to learn as time goes by.

Mr. Pallett: On the point of order, Mr. Speaker—

Mr. Howard: I assume you are considering the point of order, Mr. Speaker.

Mr. Deputy Speaker: Order. Beauchesne's 3rd edition, at page 106, contains article 256, which reads as follows:

> The imputation of bad motives, or motives different from those acknowledged, misrepresenting the language of another, or accusing him, in his turn, of misrepresentation, charging him with falsehood or deceit; or contemptuous or insulting language of any kind; all these are unparliamentary and call for prompt interference.

I believe in this case it can hardly be implied that the compliments which some of the hon. members have paid to the Prime Minister and some other hon. members can necessarily be intended as meaning hon. members are doing this for ulterior motives. It is not the opinion of the chair that we can call the hon. member for Skeena (Mr. Howard) out of order for the actual remarks which he has made. However, it would be appreciated by the chair if at all times the hon. members in their speeches refrained from direct attack upon other hon. members in this house in unparliamentary style.

Mr. Howard: Mr. Speaker, the manner in which this house over the years has developed its systems of conducting business would appear to require some changes. I intend to suggest some changes that should be made without in any way implying that there is any parliamentary wrong being done. Originally under this parliamentary system we had what is known as responsible government; that is, a government which was supposed to be responsible to parliament. Gradually that has been developed to the point where we now have parliament responsible to the government and not the other way around as it should be.

We have 23 hon. members of this house who are members of the cabinet and who in effect run practically every phase of our parliamentary discussion, debates and decisions. I do not think we can assume for a moment that in every government the members of that government represent the brightest people in the House of Commons because, as we know, to a degree political consideration is given to the selection of cabinet ministers in order that they may be representative of provinces across the nation.

In think we can offer a number of suggestions for the operation of this house in the consideration of its business which would give the opportunity to parliament to draw upon the best brains in the house and, give an opportunity for members to freely express their ideas and to vote freely on individual matters. In the first instance I feel there are far too many things that are classified as being want of confidence or indicating a lack of confidence in the government. If we were to confine what is or what is not a want of confidence to the motion we are now considering, to the budget debate and to the six supply motions there would be adequate opportunity for those in opposition to express by amendment their feelings with respect to what they feel the government has failed to do and in what this house should express its confidence.

When it comes to legislation and considering the laws that are to be applied to the Canadian people these, I think, should be debated freely and the votes taken on them should be allowed to be free votes so there would be provided freedom for the crossing of party lines. In that way individual government backbenchers would not feel required to support a piece of legislation merely because it had been introduced by a cabinet minister belonging to their own party.

I feel there should be far more reference of legislation to committees of the house where also free discussion and free votes should be allowed and dictation by party not imposed on members participating in the sittings of the committee. In addition, this would allow any interested citizen of Canada who cannot now appear before parliament itself the opportunity of appearing before the committee to express his ideas and thoughts on the legislation. As a result of all this I am sure we would be able to develop and enact legislation which would be to a far

greater extent than is now possible legislation enacted in the interests of the Canadian people based upon the freely allowed expression of opinion and free votes of hon. members of this House of Commons.

The question of private members' bills must also be considered in a discussion of this kind. We have notification of a number of such bills on the order paper at this time. These private members' bills are representative of each political philosophy that exists in the house. I hope that this session we will not follow the practice we have in past sessions of talking out private members' bills and not allowing the house the opportunity of voting "Yes" or "No" on the idea embodied in the bills drafted by private members. We should be sufficiently conscientious to allow votes to be taken on these bills which again should be referred to standing committees for full discussion.

Motions fall into the same category as do private bills as being an expression of opinion on the part of an hon. member of this house and a free vote should be taken on the motions introduced by individual private members. These should not be talked out. The government that now controls the operation of parliament should either publicly, by saying so in the house or privately in the secret back room where they hold caucuses, reach the decision to allow this type of free expression to take place. A government sponsored bill which met amendment in committee stage or which even met defeat by free vote of hon. members of this house would not curtail the length of time the government would have in office. The government would not need to be afraid of having to call a new election nor would the government be defeated every time a piece of legislation was freely voted upon.

There are probably two bad features to the proposals I have advanced, neither one of which in my opinion is sufficiently valid to negate my proposals. One such feature is that if these proposals were put into effect they would represent an invasion of the present cabinet control over our parliamentary functions and, secondly, the adoption of the proposals would upset ministerial ego.

I believe it was two days ago that an announcement was made by a very large private corporation in this nation, namely the Aluminum Company of Canada, to the effect that it was not going to participate in selling for export to China an order for 2,000 long tons of aluminum. A question about this matter was put to the Minister of Trade and Commerce (Mr. Churchill) and he replied to it. The answer is to be found in yesterday's *Hansard*. It is to the effect that as far as he knows no outside or foreign influence has been exerted upon the Aluminum Company of Canada in deciding whether they would sell this particular block of aluminum to China. I am going to suggest that the Minister of Trade and Commerce did not make an extensive enough investigation, or he has been ill-informed about this matter. I think it is quite evident that the Aluminum Company of Canada has certainly been dictated to by forces outside of this nation in its decision not to sell this particular amount of aluminum.

Alcan made reference to the fact that the decision had been made because it might lose some of its present customers if it sold to China. Let us look and see what nations are considered to be some of its customers. One of the largest purchasers of aluminum in Canada is in the United Kingdom. In the 11-month period ended November of last year we sold $63,500,000 worth of aluminum ingots to the United Kingdom, and we ask, was it United Kingdom influence, was it the United Kingdom market that Alcan was afraid they might lose if they sold aluminum to a country under communist domination? I think we can be fairly certain that since the United Kingdom has extended diplomatic recognition to China it would not declare that if Alcan sold aluminum to China it would lose any of its markets in the United Kingdom. We also know that the United Kingdom imported aluminum from Russia, another communist country, at a price which was lower than that at which Alcan sells aluminum. Therefore, the concern of the United Kingdom is not so much that of buying from Alcan or from anybody else but in buying where they can get the best possible price.

West Germany bought $12,500,000 worth of aluminum during the same period of time, which is a minor amount compared with that bought by the United Kingdom and by the United States. United States purchases amounted to $82,200,000 during that same period. The United States and the United Kingdom are by far the two largest purchasers of aluminum from the Aluminum Company of Canada. Their purchases amounted to something in the neighbourhood of 85 per cent or better of the exports of aluminum from Canada. But we must think in terms of the United States as to whether or not that was the influential body outside of Canada that had an effect upon Alcan in its decision not to sell.

Let us look and see who are on the board of directors of this company which claims to have no ties with the Aluminum Company of America. We find that Aluminum Limited, the holding company, owns the Aluminum Company of Canada. One-half of the board

of directors consists of American citizens and have their addresses listed in such places as Westport, Connecticut, Rhode Island, Boston, Washington and New York. Incidentally, there is another chap on the board who is well-known to Canadian parliamentary life, namely the Right Hon. C. D. Howe. Therefore, certainly, United States influence has been used against Alcan. Whether it be economic or political intimidation, that is another matter but in essence it was United States influence which disallowed this potential sale of aluminum to another country. That, of course, was admitted by officials of the Aluminum Company of Canada, as reported in yesterday morning's *Globe and Mail*. Mr. Duncan Campbell, the spokesman for Alcan, said, and I quote:

> You know what the attitude of Americans is on sales to Red China.

He was obviously indicating that it was United States interference in one form or another that prevented the Canadian company from selling this particular commodity to another country at a time when we know how much we need to expand our exports for a variety of reasons.

Let us analyse what this potential sale would have meant had it been consummated. There is first the possibility of expanding our markets for aluminum which, as we know, has been declining over the past number of months to the point, incidentally, where the Aluminum Company of Canada is now operating at about 65 per cent of capacity. There is the question of markets and the effect the sale would have had upon employment in the aluminum smelters in Canada which have been slowly, month by month, laying off production employees. That one sale would have meant approximately $1 million, or the equal of the total sales we have made during the past year to India and to Hong Kong. It would have amounted to three times what they have sold to New Zealand in that year and five times what they sold to the Argentine. It would have almost equalled what we sold to South Africa and would have compared favourably with what we have sold to other countries during the past year.

We have the question of employment to consider. Within the last year and a half the Aluminum Company of Canada has been following a policy of curtailment of production, and a discontinuance of plant expansion, all of which is connected with their laying off of employees, thereby adding to the unemployed rolls of our nation. In Kitimat, which is in the constituency which I have the privilege to represent here, about a year and a half ago the Aluminum Company of Canada suddenly overnight decided that they were not going to proceed with any further expansion and laid off more than 1,500 construction employees, thereby wreaking havoc upon those construction workers and their families, many of whom had moved to Kitimat because the Aluminum Company of Canada told them that it was a 10-year project and said so just a few months before they laid them off. There has been a steady reduction in production, and there was a recent announcement that another 10 per cent reduction in production by the Aluminum Company would take place. This has had an effect in Kitimat, Arvida and Isle Maligne and throughout the Alcan empire. Approximately 700 employees are being affected by this recent reduction.

Apart from the economic results that that sale would have had on Canada, apart from the market question, apart from its effect upon employment, there is another phase which we should consider also, namely the political results. Some time ago this government saw fit to send out trade commissioners from Hong Kong into the mainland of China to discover what the trading potentials were or what markets were there. Since the government has said over the past months that it is concerned with expanding trade it should also look at this from the point of view of its political impact on the world. We know that Russia has been able in the past year to offer aluminum on the world market at prices lower than those at which the Aluminum Company of Canada, Alcoa, Reynolds and others are selling aluminum. We also know that Russia did not offer to sell aluminum to China at those prices. I am sure we can sense the division in the unity which has existed between the Soviet union and China and which, if present developments continue, will divide those two nations politically even more.

Apart from the immediate market question, apart from the immediate employment picture, here was an opportunity for the Aluminum Company of Canada to do something on behalf of world peace by assisting in widening the division between the Soviet union and China and attempting to draw the Chinese nation closer to the western world politically if that nation has not gone too far the other way. It is certainly one aspect which should have been taken into consideration.

Yesterday I posed a question to the Minister of Trade and Commerce which was not answered because of a statement by the Speaker that it probably was not the time and place to pose such an all-embracing question, but I shall ask it again. Not only from this decision of the Aluminum Company but from decisions of other private corporations in Canada, some of whom are direct subsidiaries of United States corporations, it

appears that they are unable, unwilling or afraid to make sales to certain countries. In this case the Aluminum Company of Canada was afraid for one reason or another or there was intimidation of some kind used which made them decide not to sell aluminum to China.

Having in mind the words and phrases spilled all over the country by the government about wanting to expand trade it would appear that there is ample room among the various agencies of government for the establishment of an export or import-export board, whatever you want to call it, part of whose function would be to purchase from the company concerned and make the sale to the country wanting to buy the aluminum. If we had had such a board it certainly could have played a part in the situation which developed the other day with respect to the Aluminum Company and the sale to China. Certainly as a government agency established by the authority of parliament and representing the views of the Canadian people it would have been in a position to take the Aluminum Company of Canada off the hook, having in mind that company's fears of some sort of retaliation against it by United States interests if it should make this sale. I certainly hope that the time will come when we will have such a board or agency which, in addition to other questions of trade, will be able to deal with similar situations should they arise in the future in order to ensure that our markets are expanded, that employment possibilities are increased in Canada and perhaps assist in the political sphere by promoting a somewhat more sensible approach among nations towards the common goal of world peace.

I should like to say a few words about an important question that was debated at some length in the first session I was here, 1957, was debated again in the last session, and which appears to be going to receive adequate discussion and debate this session. I made some slight reference to unemployment in discussing the question of the Aluminum Company of Canada and the proposed sale to China. We have listened to the Prime Minister, the Minister of Trade and Commerce and the Minister of Labour (Mr. Starr) on a number of occasions, and on each occasion it has seemed to me that these gentlemen appear to be more concerned with statistics than they are with people. Every time the Minister of Labour has an opportunity to discuss unemployment he mentions statistics. He does not mention the impact that unemployment has on people. He does not mention the sorrow and suffering of individual families. I think the Minister of Labour has probably been seduced by the statistics compiled for him and has forgotten entirely the unemployed people who are involved in the compilation of such statistics. I do not want to get into the realm of the different sets of figures used by the minister and others and the question of which set is correct and which is not, which one is incomplete because it does not contain certain types of workers and which one is more than complete because it contains people who are not unemployed. By doing so I would be allowing myself to become involved in figures in the same way as the Minister of Labour who is concerned solely with what the graphs show and forgets entirely that it is men and women who are affected.

In Vancouver, for instance, there are approximately 11,000 to 12,000 unemployed people at the moment who cannot qualify for unemployment insurance because they were not even able to get sufficient work during the past year to qualify for the benefits paid. Because of the failure of the government at the last session to carry out its throne speech promises—never mind its election promises—we have these 11,000 to 12,000 people in Vancouver who could not secure enough work in the last year to accumulate enough contributions even to draw the pitifully small amount paid by way of unemployment insurance.

I grew up in Vancouver around 1937 and for the first time that I can remember there are bread lines and soup kitchens. To my personal knowledge this condition has not existed for many years. The fact that there are bread lines and soup kitchens in Vancouver is certainly not the fault of the hundreds of people who have to stand and wait for hours for a sandwich that some charitable organization is able to provide. It is certainly not their fault that they do not have sufficient money unless they had money and spent their savings hoping that prosperity was just around the corner, in accordance with the Prime Minister's foolish suggestion that we should spend our way to prosperity.

The Minister of Labour forgets or maybe he does not even know of the situation I encountered personally in Prince George last fall. Prince George is in the constituency of my neighbour and friend from Cariboo. It is the central location for employment in the lumbering, construction and logging industries for the entire north central portion of British Columbia. Many loggers, sawmill workers and construction workers go to Prince George in the hope of finding employment there or being sent to a job somewhere out of the city.

In the latter part of October I was in Prince George for a few days and I met two friends of mine I had known in the logging industry and with whom I had worked. They had been sleeping in parked cars in parking lots for a whole week because they could not get work, there was no place for them to stay and they had not had sufficient work last summer to entitle them to unemployment insurance benefits. There was no charitable organization there to provide even a soup kitchen or bread line.

It is that sort of thing that goes into making up these statistics. It would do the Minister of Labour and the rest of his colleagues in the cabinet, who have been so blinded by this graph they have been talking about, a lot of good to go out and stand in a breadline once in a while.

Mr. Grafftey: Have you tried it?

Mr. Howard: They should sleep in a parked car as these two lads I know had to do in Prince George.

Mr. Grafftey: Have you tried it?

Mr. Howard: Let the hon. member ask his question in the proper way instead of sitting down on his fanny and yapping.

This government has to realize the human suffering that is involved in these statistics. They no longer ought to be concerned with the Prime Minister's pre-election statements, which meant nothing apparently at that time, because the actions of the government do not bear them out.

I thank you, Mr. Speaker, for having given me an indication that my time is running out. I had one or two other comments I wanted to make, but perhaps another occasion will arise when I shall be able to make them.

Mr. R. C. Coates (Cumberland): Mr. Speaker, it is with a great deal of pride that I rise in my place today, but a kind of pride which I hope few members are called upon to have because it only results from the fact that on October 23 last year in my constituency the people of the town of Springhill were called upon to go through a type of ordeal that few people in this world have to suffer. On that evening there was a bump in No. 2 colliery of the Cumberland Coal Company which resulted in the loss of 75 lives, 75 hard-working men, 75 very brave men.

Along with those 75 brave men, we must give credit to a great many more brave men who went down into the bowels of the earth, danger lurking at every turn, and as a result of their courageous efforts were able to bring from that mine 18 survivors. These 18 men had remained below ground with little or no food, with little or no water and with only the hope that their buddies would come to get them, and come to get them they did. No one, and I say no one, could appreciate the sorrow, the sadness, the physical and mental condition of the people of Springhill, unless that person were there amongst those people during those days.

We get up in this house and we talk about courage. We do not know what courage is until we go into an area where a tragedy of this type has occurred and watch the people face it. We do not know about courage until we watch them get together, face up to their problems, and as a result come out on top. It is indeed a sad thing, Mr. Speaker, to go into a home and hear small children tell you they are waiting for their daddy to come home when you know their daddy will never come home. There were a good many homes I went into where that occurred. When one thinks of the tragedy to these families, one is amazed that people could hold up under such strain. It is indeed great credit to their community and to their way of life that they have been able to stand up under this ordeal in the way that they have.

When speaking on this subject, I should like to compliment the Minister of Justice (Mr. Fulton) upon the manner in which the R.C.M.P. kept things in order at all times; the Minister of National Health and Welfare (Mr. Monteith) upon the manner in which the civil defence people came in and did such an excellent job; the Minister of National Revenue (Mr. Nowlan) upon the manner in which the C.B.C., through radio and television across this country, brought this tragic occurrence not only to the people of Canada but of the world. I should like to thank not only the people of Canada but of the world for the manner in which they got behind these courageous people and built up this wonderful fund that will be of material benefit to the widows and the families of those miners who have lost their lives.

When I think about these people in Springhill, I think about the company that for so many years operated the mines there. This company is called the Cumberland Coal Company. It is owned by Dosco, which in turn is owned by Avro, which in turn is owned by the Hawker Siddeley group. Let me give you some idea of the size of this gigantic concern. The Hawker Siddeley group has assets of £200 million; last year their sales amounted to £250 million and their employees number 100,000. This is indeed a gigantic concern. There is no doubt that this concern should do a great deal for the courageous people of this town.

This is an editorial which appeared in the Halifax *Chronicle-Herald* of November 12, 1958. It is entitled "Avro's Obligation". Avro is a subsidiary of Hawker Siddeley. The editorial reads:

The Windsor *Daily Star* which, like many other newspapers of Canada, has been showing a mixture of high admiration and deep concern for the community of Springhill in recent weeks, has expressed a view, republished elsewhere on this page today, which merits some particular consideration.

It has suggested that the primary responsibility in saving the town—as it must be saved—lies not with governments, as many will be quick to contend, but with A. V. Roe Limited, the parent firm of the Dominion Steel and Coal Corporation which has been exploiting the coal resources of Springhill for many years.

"Avro", it says, "is a strong, powerful enterprise. It has no fewer than forty subsidiaries or affiliates. And, in many ways, it has proven itself an enlightened enterprise . . . Surely it shouldn't be beyond its ingenuity and ability to locate a plant in Springhill requisite to that town's needs. And to do this without depriving any other community of an existing Avro plant."

This is something, we hope, that will be discussed by Premier Robert Stanfield and Allan C. MacDonald, chief of Dosco operations for the A. V. Roe complex, when they meet in Halifax this morning and when Mr. MacDonald meets with the citizens of Springhill tonight.

There must be in all the considerations that are given to Springhill these days one overriding thought which was well summed up by the Toronto *Globe and Mail* a few days ago in restating its admiration for the courageous mining folk of that town:

"A town which produces men like these ought not to be casually dissolved.

—What must be provided is simply the opportunity to make new, productive lives, and Canada will be the loser if that opportunity is not provided. As far as possible, work should be provided for them near the community to which they have shown such great attachment—"

Certainly, if private enterprise will not do something on its own, either in the resuming of coal mining operations, which can be depended upon for safety and permanency, or in some alternative industry, then governments must step in. And there is plenty of public opinion in the country in support of federal action. But certainly, too. A. V. Roe Limited, which took over the huge Dosco empire only a short time ago with the feeling, publicly expressed, that it could make its future better than its past, should give Springhill some special thoughts first. As the Windsor *Star* reminds us, "in this modern age, there is, or should be, a social consciousness (and) if private enterprise fails to recognize this, then it is a black mark against private enterprise".

Let us now look and see what Avro has done. To date they have done this. They have found jobs, they say, for 200 persons—out of a total unemployed group of 900—outside the town of Springhill. This is a company that is owned by a company with group assets now put at £200 million. They have really done a great deal for the people of Springhill, have they not? They have said to them, "We will not help keep your community; we will take 200 of your people away for you. That is what we will do for you for working for us over the years in our coal mines". This is indeed a great tribute to such a great corporation. Here is a company with 40 subsidiaries. Yet they cannot find anything, so they say, that they can place in this town that has these courageous men. What kind of company is this that would have this feeling and yet go into our area and tell us that they are going to make our future better? If this is the way in which they make our future better, I do not want any part of it.

Fortunately, both the provincial government of Nova Scotia and the federal government have seen fit to endeavour to establish industries that will give the people of this town the stability they so rightly and justly deserve. Only the other day notice was given in the Halifax paper that a woodworking concern is to be established in Springhill. Not long ago a committee from the Department of Justice was in Springhill endeavouring to ascertain whether or not Springhill could be used as a logical site for either the construction of a federal penitentiary or the establishment of a prison farm. Both these matters will indeed take time. However, it is my sincere hope that before this session ends we shall have a definite answer as to whether this can be done in the town of Springhill. I pray that the answer will be the one that we all must hope it should be.

I should like to thank the hon. member for Antigonish-Guysborough (Mr. O'Leary) for his kind remarks with regard to Springhill. I should also like to thank the Leader of the Opposition (Mr. Pearson). But I must also say that I was somewhat disappointed that the Liberal party did not have some constructive suggestions to make with regard to Springhill.

I should now like to turn from Springhill, Mr. Speaker, but not because I could not speak at greater length about it, and the attitude, the courage and the ability of its people. However, my time in the house is limited. I should like to turn now to something else about which I was extremely pleased, namely the announcement in the speech from the throne that subsidies would be considered to offset the adverse effects of the 17 per cent increase in freight rates. In the speech made by the Leader of the Opposition I note that he was greatly concerned over the increase in freight rates and indicated that it probably had something to do with the problems of the Dosco corporation and its present statement with regard to layoffs in the Cape Breton area of Nova Scotia. That suggestion might very well be correct but it also might not be correct. I ask

the Leader of the Opposition whether in 1948 he was concerned about coal and the marketing problems in connection with it when the then government allowed a 21 per cent increase in freight rates; in 1949 when an 8 per cent increase was allowed; in 1950 when the 8 per cent was increased to 16 per cent; and again in 1950 when the 16 per cent was increased to 20 per cent; in 1951 when a further 12 per cent increase was allowed; in 1952 when the 12 per cent was increased to 17 per cent; in 1953 when a 9 per cent increase was allowed; in 1953, when a 7 per cent increase was allowed; in 1956, when a 7 per cent increase was allowed; and in 1957 when the 7 per cent was increased to 11 per cent.

Where was the concern of the Liberal government for the coal industry in Nova Scotia? They were concerned about the coal industry only when they got on the other side of the house; and even then, one sometimes wonders about their concern. The only government that has ever been concerned about us is the government that is now in power. The east has shown clearly that no longer are these so-called feelings for the people of Nova Scotia going to be interpreted as being genuine. They were interpreted as such, too often without any results. This is the only government which has ever given the people in the east results.

Why, all of a sudden do we find a government which is interested in seeing that something is done about freight rates? I will give hon. members one reason why—a single reason: it is that this country will be made equal from east to west, and one of the ways in which this country be made equal from east to west is by having a Conservative policy put into effect—a policy which will provide equality to the people no matter where they live, and a policy which will not force people from the east to move to the central provinces of Canada. It will be a great many years before we see any other government in this country, and during those years we will see the east slowly rise up. One of our greatest problems in the east is transportation, and one of the greatest dangers to our economy lies in these horizontal increases in freight rates. This is the first time a government has endeavoured to do something about it.

Speaking of transportation I should also like to mention a project which is very important to Nova Scotia and not only to Nova Scotia but to all the maritime provinces, namely the construction of deep water wharves which would be the means of putting into effect a scheduled service between Parrsboro and Kingsport in Nova Scotia. Until the war years there was a ferry service, but together with so many other things we have lost that. Today it has been proven that a great deal of traffic would travel via a ferry from the Annapolis valley and south shore areas of Nova Scotia through Parrsboro on to the province of New Brunswick. Not only would this cut down mileage a great deal but it would make for efficiency and speed in a manner which is not possible today. In addition, it would be a tremendous inducement to the tourist trade. There has been some debate with regard to the figures produced by the Acadia institute concerning traffic. However, I feel, after reading this report very carefully that even allowing for local prejudice and bias, which might have increased the estimate to a small degree, there is still a very apparent necessity for this project to be undertaken, and I must recommend to the Minister of Public Works (Mr. Green) that every possible consideration be given to this work.

I should also like to dwell for a short time on the problems of agriculture, a very important industry not only for Nova Scotia but for the maritimes in general. I should like first of all to congratulate the Minister of Agriculture (Mr. Harkness) on the crop insurance legislation which will be forthcoming this session. This will indeed be a godsend to all farmers in this country.

I should like, in the main, to speak on credit. We in the east, if we are to have a healthy agriculture, must have better credit facilities. It is my hope that in the very near future we shall see new credit legislation placed before this house, legislation which will allow the farmers in Nova Scotia both to increase their acreage and to stock their farms more adequately. It is wellnigh impossible today to obtain credit on the basis of stock and machinery; the value of the land is the important aspect. However, today, with the price of stock and machinery so high, it is often difficult or impossible for farmers to stock and mechanize their farms properly. This problem must be given very careful consideration.

We must also provide a means for our young mean to obtain farms which are properly stocked and mechanized. Today we see young men leaving the farms mainly because it is impossible for them to obtain the financial assistance which is necessary if they are to farm in a modern manner. It is my hope that when this legislation is presented it will embody some of the aspects of the Veterans Land Act which has provided a very efficient and acceptable type of farm credit.

In closing, Mr. Speaker, I should like to say a few words about the opposition in this House

of Commons. During the first session I sat in this house I watched the opposition party. They were fairly keen and did their work fairly well because they knew that any day an election might come along. They never knew on what day, so they had to be on their toes. During the last session of parliament we had a let-down from the opposition. Before this session began the newspapers indicated that this was likely to be a fighting and exciting session. However, if the few days that have gone by since this session started are an example of either fighting or excitement, I say to the people of Canada that on the other side of the house they do not know what either fighting or excitement is. What do we have on the other side of the house? We have 48 or 49 members.

An hon. Member: I thought there were 50.

Mr. Coates: No matter how many it is we would never be able to find out. We have six or seven hon. members in the opposition who get up on their feet and criticize this government. What about the rest of them? We find they are still the same old trained seals they were when they were in the government. There is no difference now. They never say anything about the government of this country. In order for the government to be efficient in carrying out the will of the people it must have a two-fisted, hard-fighting and hard-working opposition. This is the government of this nation. How can six or seven men stand up against any government? They cannot do it.

What did we hear last year from the opposition? A few of them rose to their feet groaning and whining about committee work. "We cannot be here and there at the same time," they said. Why? Simply because six or seven men were running the opposition and doing all the work and because they still refuse to assign work to the backbenchers in their party. They never gave them anything to do when that party formed the government and now they do not let them contribute to a constructive, active opposition party. I believe every man in opposition should rise to his feet and fight and I do not hesitate to say that if I were in opposition I should be happy to do it.

Mr. Habel: You soon will be.

Mr. Coates: Oh, don't you worry about it, my friend. If you keep on the way you are behaving you will always sit on that side of the house. The only difference will be that your numbers will diminish and you deserve that.

It is not difficult to anticipate what we are going to hear from hon. gentlemen opposite in the next election campaign. They will go about the country stating that they need more members in the opposition. The opposition does not need more members. They need only to put to work the members they have. In my view they are not utilizing the talents of the members they do have over there. They kept the backbenchers in their seats for 20 years without doing anything and now when they should be participating actively in the affairs of this country the backbenchers do not know how to get out of their seats.

Mr. Deschatelets: What about parliamentary assistants?

Mr. Coates: Do not worry about them, my friend. It is needless for you to worry about parliamentary assistants because you will probably always sit on that side of the house if indeed you stick around. But if you continue to sit in your seat the way you always have, you will not be around too long, I can assure you of that.

Mr. Deschatelets: If I ever decide to deal with you, you will have cause for regret.

Mr. Coates: This, Mr. Speaker, is the type of opposition we have. Most of them cannot even get out of their seats when they speak. They have to sit down and talk to us. When you speak in this house you are supposed to stand up in your place.

I should like to thank you, Mr. Speaker, for your patience in listening to my remarks. There are many other matters I should like to call to the attention of this house but I realize I shall have later opportunities to do so.

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): Mr. Speaker, may I first congratulate the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the motion to adopt the speech from the throne. May I also say it is a pleasure to be back in this chamber presided over so pleasantly by a witty and able speaker.

Since I was in this house last, I have spent considerable time in my riding of Grand Falls-White Bay-Labrador and covered most of that quite extensive district. I was as far north as Nain and in one respect the far north was better than the southern districts for the fishery was better than average in northern Labrador while it was a total failure elsewhere. Unfortunately there are comparatively few fishermen in this area, the great bulk of them being on the island of Newfoundland where the fishery was very poor.

There is one point I should like to mention in this respect. There is a small but locally important sea trout fishery in this area. I am told that the smoked sea trout from Nain is one of the great delicacies in food.

Unfortunately there have been difficulties in transportation. Perhaps if the C.N.R. boat which operates in these waters had a small refrigeration unit on board it might be possible to ship more of the fish to Goose Bay where it should find a ready market. Goose Bay, as hon. gentlemen know, is the site of a large and famous airport and is relatively populous.

The principal needs of southern Labrador from the federal standpoint are still communications and marine works. Some wharves and slipways are needed and air strips are badly required among other places at Cartwright, Port Hope, Simpson and Hopedale. The provincial department of highways have constructed two air strips at Nain and North West River and some further work may be needed, particularly on the latter. An air strip is also being constructed in St. Anthony by the provincial department of highways. These air strips are designed to fill the great need which exists during the period of freeze-up and break-up.

The provincial department of health operates planes for the Grenfell mission. These planes operate on floats in summer and skis in winter. But there are the periods of freeze-up and break-up, when there is too much ice and slob for floats and not enough firm ice for skis, when these planes are grounded. During these periods air strips are invaluable in these northern areas where the plane is often the instrument of life. During the fall before last eleven people died in Nain because the plane could not land with medical aid. More air strips are required to prevent recurrence of such tragedies.

Another need is for additional radio telephones. Progress has been made in this respect but there are still places which are completely isolated when winter locks up the Labrador. Small radio telephone sets can summon a doctor in time of need.

At the present time the C.B.C. operates a television station at Goose Bay but it is of low power and some increase is desirable to assure better reception at North West River some 16 miles away. The R.C.A.F. operates a radio station and within its limits gives good service. There is some desire for the C.B.C. to operate a radio station giving a broader coverage. A radio station in the St. Anthony and Battle Harbour areas to serve the Labrador is also desirable and I trust this matter will receive sympathetic attention.

However, the principal matter which I wish to stress in these remarks is the serious situation in which our fishermen find themselves.

A large proportion of the fishermen of Newfoundland live in my constituency and I might say that what applies to them applies generally throughout the province. The cod fishery is still the basic industry of our province. It is the historic industry of Newfoundland and it has had historic problems. But these problems were aggravated last year when economic disaster struck and the fishery failed. There were just no fish. With the almost sole exception of northern Labrador the fishery was practically a total failure. This was certainly true of the northeast coast much of which I visited personally. I travelled from place to place where the total catch was but a fraction of what it usually is and when some fish did appear there was no bait. This was doubly devastating. As there was no alternative employment the result was inevitable. Hardship and want occurred and this was followed by the toughest winter that many fine, independent fishermen have experienced for many years and this, of course, through no fault of their own.

The inevitable plight of Newfoundland fishermen was, of course, foreseen.

On October 21, 1958, the hon. member for Bonavista-Twillingate (Mr. Pickersgill) wrote the Prime Minister (Mr. Diefenbaker) as follows:

> I have recently returned from a visit to my constituency where I have found that the failure of the cod fishery which is the mainstay of more than half the population of the northeast coast of Newfoundland is of even more serious proportions than earlier reports had led me to expect.
>
> I should estimate that, because the fish were scarce and because bait was even scarcer, up to two-thids of the full-time fishermen will not have enough stamps to entitle them to unemployment insurance which alone saved a serious situation last winter.
>
> In a normal year, even with a failure of the fishery, many of the fishermen would be able to supplement their incomes with earnings from work in the woods, but owing to the recession in the pulp and paper industry, there is little or no woods work in most areas in Newfoundland.
>
> It is no exaggeration to say that half the fishermen on the northeast coast of Newfoundland will be forced to go on relief in the coming winter unless action is taken by the federal government to treat this failure of the cod fishery as an emergency situation calling for action similar to that taken by the government to assist the prairie grain farmers who experienced a crop failure this year that is certainly no more serious for them than the "crop failure" in the cod fishery is to the fishermen of Newfoundland.
>
> You will recall that on August 30 when you announced the intention of the government to ask parliament to vote $40 million of special assistance to the grain farmers you stated that your government's "concept" of a national policy is based on the belief that the national welfare demands positive action to meet the basic causes of distress and maladjustment in particular industries and regions."
>
> The situation of the fishermen of Newfoundland this year calls urgently for positive action to meet acute distress in the fishing industry.
>
> The simplest way to meet this problem would be for the government to use the agency of the unemployment insurance commission which has the necessary machinery and, through the commission

to provide every full time fisherman with the minimum contributions to entitle him to unemployment insurance. This method would ensure that assistance went to those who actually had a failure of the fishery. The government could make a special contribution from the treasury to reimburse the fund for the full cost of these "crop failure" benefits to the fishermen. The federal fisheries officers have full records from which it would be easy to determine who were full-time fishermen.

I have referred only to the northeast coast of Newfoundland because that is the only area of which I have personal first-hand knowledge but obviously any national policy to meet the basic distress of the fishermen should be applied to the whole Atlantic region, including Gaspe and the Saguenay.

I am, therefore, sending a copy of this letter to all members of parliament from fishing constituencies in the Atlantic region as well as to the ministers of fisheries and labour and the minister from Newfoundland with a request for their support in this appeal to the government of our country to give treatment to the fishermen who have experienced a disastrous "crop failure" equal to that already given to the grain farmers of the prairies.

I cannot emphasize too strongly that the problem calls for an early statement of positive action by the federal government, if many thousands of fishermen are not to be driven to accept relief in order to provide for their families in the coming winter.

I quote this letter in full because it sets out a plan whereby assistance could have been granted to Newfoundland fishermen. In fact, I think I might safely say it was a constructive suggestion advancing an idea calculated to be helpful. The Prime Minister (Mr. Diefenbaker) replied on October 28 saying, and I quote:

The matter is being looked into thoroughly by my colleagues the Minister of Labour and the Minister of Fisheries to whom I have forwarded copies of your letter.

I might add that I wired the Prime Minister on October 27, supporting the letter I have just quoted. Actually, I sent the wire on the eve of his departure from Canada and he had the thoughtfulness and courtesy to acknowledge my telegram from London.

On December 1 the hon. member for Bonavista-Twillingate wrote the Minister of Labour (Mr. Starr) in connection with his letter to the Prime Minister and he said, and I quote the pertinent parts:

December 1, as you are aware, is the first day on which seasonal benefits can be paid under the unemployment insurance law and I am sure most of the fishermen who, through no fault of their own, cannot qualify for seasonal benefits will be greatly disappointed that no decision has yet been announced by the government about the suggestion for emergency "crop failure" benefits I made in my letter.

I am sure you realize, as I know the Minister of Fisheries who has been in Newfoundland does, that the need is urgent and that many fishermen have already been obliged to accept relief.

The method of meeting the problem suggested in my letter would be simple to administer and fair to the fishermen, but if the method is not acceptable to the government, I strongly urge that action be taken in some other way to meet this pressing need.

[Mr. Granger.]

The Minister of Labour replied:

You may rest assured that every possible action will be taken to assist the Newfoundland fishermen.

I must say that I really believed assistance to the fishermen would be forthcoming. But as time went on faith began to wane. On January 8 I wired a query to the Minister of Fisheries (Mr. MacLean) and received the following reply:

You are aware community stage program proceeding several localities. In addition department public works has extensive winter work program in many areas. Fishermen also eligible work on federal-provincial road programs sponsored by northern affairs and national resources. All these projects will assist fishermen through work provided and lasting benefit of facilities.

This made me fear that no effective assistance would be forthcoming, except in a few places where it may be possible to get ahead with community stages during the winter. However, on Friday, January 16, I was encouraged again when the Prime Minister replied to the following question of the hon. member for Bonavista-Twillingate, as reported at page 16 of *Hansard*:

I should like to ask the Prime Minister whether the government is going to take any action to relieve the distress caused by the failure of the cod fishery in Newfoundland, about which he will recall I wrote him last October, and which he advised me the Minister of Labour and the Minister of Fisheries were looking into urgently?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the answer is still applicable.

However, on Tuesday, January 20, the hon. member for Bonavista-Twillingate asked the Minister of Labour the following question:

I have a supplementary question, and it is this. Did I understand the minister to say consideration is no longer being given to a reduction in the number of stamps required by fishermen for unemployment insurance?

The answer was:

Mr. Starr: I said, sir, no consideration is being given to reducing the 15 stamps that are required for seasonal benefits at the moment, and that includes everyone.

I share the feeling that fishermen of Newfoundland and Labrador have been wronged by neglect. There was no similar attitude on the part of the government toward the prairie farmers last summer. Certainly, a Canadian fisherman deserves the same assistance as a Canadian farmer. I did not know that there was a double standard for Canadians.

I have quoted heavily from the hon. member for Bonavista-Twillingate, and while on this subject I should like to make this comment. The Minister of Labour asked a day or so ago what he did when he was in the government. I would like to reply that when he was a Liberal cabinet minister he obtained unemployment insurance for fishermen. It was also said that his suggestion contained in his

letter of October 21 to the Prime Minister came late. I can only say that it was made six days before the program of aid to municipalities was announced.

In fairness, I do not want to belittle what has been done by the federal government and in particular I would like to mention the program of community stage construction. Community stages will fill a real need. It has been experienced in the past that where small landing wharves were built in fishing settlements the wharf tended to be the focal point for fishing activities. So important did they become for the handling of nets and the processing of fish that when, as occasionally happens, one of these installations is wrecked by storm the fishery in that place is threatened.

The community stage is designed to fill this need even more efficiently. It has been increasingly expensive and difficult to get material for fishing premises and the community stage will provide much improved facilities for handling fish. It is an important evolutionary step and should contribute substantially to the preservation and improvement of the fisheries. I would also like to express my appreciation to the Minister of Fisheries for the interest he has taken in the bait situation in Newfoundland.

I have talked at length on what was needed and was not done. At this eleventh hour I want to appeal again to the government to reconsider their decision regarding special assistance to fishermen who, through no fault of their own, have not enough stamps to qualify for unemployment insurance. There are approximately 17,320 fishermen in Newfoundland and 880 in Labrador, a total of 18,200. The number of claimants for unemployment insurance on December 31, 1958, was 5,617, less than one-third. Fishermen are in need, are on relief, are unable to maintain their property. Last fall through personal visits I saw whole communities in a state of hopelessness and want. Independent people should not be condemned to relief because a freak of nature has ruined their harvest. Many fishermen will not be able to prepare properly for the fishery this spring. They will not have money to spend on necessary repairs to gear and boats. Direct assistance is needed and additional work provided during the spring months of April and May so that the fishermen of Newfoundland may be prepared for the coming voyage which I am sure we all hope will be a bountiful one.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, at the outset of my remarks I want to take this opportunity to extend my congratulations to the hon. member for Provencher (Mr. Jorgenson) and the hon. member for Montmagny-L'Islet (Mr. Fortin) on their most excellent speeches in moving and seconding the address. I hope that one or two prominent front bench Liberals listened intently to the remarks of the hon. member for Montmagny-L'Islet because they could learn a lesson from him. May I also join with other hon. members in extending my congratulations to the newly elected members of this house.

There are many points in the speech from the throne that could be discussed but I should like to mention one of them at the moment. I refer to freight rates. For my people, the people of the province of Nova Scotia generally and, indeed, for those in all the maritime provinces, one of the most encouraging aspects of the speech from the throne is that it discloses that the government will recommend action to alleviate the discriminatory effects of the recent 17 per cent horizontal increase in freight rates. Even more encouraging is the pledge of the government made in December to institute a full study of the entire transportation problem. We in the maritimes regard this investigation as a hopeful sign that the inequities in the freight rate structure, which have contributed in no small measure to the fact that our provinces have not marched with the quick step of the other provinces in industrial progress, may finally be removed.

Our whole economy revolves around our ability to get our natural resource products to the rich central Canadian market. Located as we are on the eastern extremity of the nation and separated by hundreds of miles, we have to rely on efficient transportation at a price which will permit us to produce and give us a fair return. With the rapidly rising increases in the cost of transportation we are finding it increasingly difficult to progress. The high cost of freight has prevented us from getting a better share of markets for coal and steel produced in Nova Scotia.

At this very moment Nova Scotians are pondering another stark reminder that it costs us too much to get our goods to market. I am referring to two things. The first is the announcement by A. V. Roe of Canada Limited that its subsidiary firm, Dominion Steel and Coal Corporation, will have to lay off 4,000 men from its coal mines for at least a month because of lack of orders, plus another 500 construction workers. The second is the decision of the A. V. Roe Company not to expand its steel making facilities in Sydney but instead to invest $20 million on a cold rolling mill near Montreal. One of the reasons is plain

and simple. It is high transportation costs. We need government action to help to alleviate these problems but by the same token I feel that we should have the utmost co-operation from those who are involved in our industrial life. I repeat that we should have the utmost co-operation from those who are involved in our industrial life.

I stated on Tuesday last that to my mind the actions of the A. V. Roe Company since acquiring control of Dosco last year were questionable, and at this time I should like to elaborate on why I made a statement of that nature and why I should have these convictions. I feel that there are many thousands like me in Nova Scotia who hold the same convictions because of the action, or should I say lack of action, on the part of the new controllers of our destiny. There are 150,000 people in Nova Scotia dependent on this great corporation even for their very livelihood. It came to Nova Scotia with the deed of ownership to Dosco securely tucked in its pocket, with promises and assurances of better days. There were fears expressed in many quarters that the coal, steel, shipbuilding and railway car manufacturing industries would be carted off to the central provinces as has happened before under new ownership in the case of so many of our industries. But Avro spokesmen said that this was an unwarranted fear. In one of his official press releases Avro president Crawford Gordon said:

> We have but one aim, to expand this Canadian enterprise so that it will be stronger, more enduring and more profitable to its shareholders and employees and, at the same time, contribute something strong, solid and substantial to the development of the Atlantic provinces and their people.

These are very fine words. This statement prompted Nova Scotia premier Robert L. Stanfield, after Avro's campaign for Dosco control had succeeded, to state:

> You have stated your confidence in this area and your intention to develop Dosco as a maritime enterprise. We accept your assurances and we look forward to a happy association which will be beneficial to us and profitable to you. You realize, I am sure, that Dosco is not just an industry in the ordinary sense; it is the staff of life for many communities in Nova Scotia. It is something much more than just a matter of dollars and cents. I am sure that in assuming control of Dosco you have accepted in full the major responsibilities that go with that control.

But what have we found since that time? Despite its avowed policy of getting out and selling coal, enforced holidays were imposed on our miners last year. This came after a series of denials by company officials that any cut-backs would be necessary. The miners were asked to boost their production. This they did. What did they get in reward? Lay-offs. Is it not a strange coincidence that these lay-offs should occur right in the midst of the wage negotiations now going on?

At this point I should like to refer to the co-operation that has come from the coal miners of Nova Scotia. There has not been one strike in the coal mining fields of Nova Scotia since 1947. As I have said, the coal miners have co-operated in every way possible. They have maintained a hold-the-line policy as far as wages are concerned. They have certainly done their part.

To return to the corporation, despite its fervent pledge to contribute something strong, solid and substantial to the development of the Atlantic provinces and their people, Avro took a decision to erect a $20 million steel plant outside Montreal. What about its Sydney steel plant? We are told that it will benefit in that it will be asked to supply the raw steel for the finishing plant in Montreal. But will the Sydney plant be called upon to supply that raw steel or will it be acquired from other steel mills closer to the plant at Montreal? I have reason to believe it will be some time after the Montreal mill is opened, a long time at that, before Sydney's plant will supply the new gigantic mill in Montreal.

Now we are faced with another major lay-off in our coal industry. This seems to Nova Scotians to be out of keeping with the professed determination of Avro to contribute something strong, solid and substantial to the development of the Atlantic provinces and their people.

Mr. Speaker, Avro spokesmen have been dealing Nova Scotians a continuous hand of conflicting statements. "We want to progress", they say, and then they lay off our workers. "We will not do anything to hurt the maritime economy", they say, and then they shift the heart of their steel making industry from Sydney to Montreal. Nova Scotians have begun to hold new fears and doubts about the intentions of the Avro organization. The only expansion proposed by this company is a cold rolling mill near Montreal.

In addition to this, a series of company statements issued in recent months make it apparent that the company entertains long-range plans for a basic steel plant on adjacent property. If this comes to pass, then the future of Sydney as a major steel production centre will not be bright. When blast furnaces join the Montreal units to provide fully integrated operations in central Canada, what will happen to Sydney?

The Avro organization was born and has been nurtured on government contracts. The company has grown as a result of these government orders to become one of the giants of Canadian industry. Is it unreasonable, then,

to expect that such a company should be among the first to gear its productive power to the wishes of the government and the public? Is it unreasonable to ask Avro to develop maritime economy and contribute towards the decentralization of industry?

It is my view, and one that is shared by many Nova Scotians, that the government has a right to expect co-operation from Avro and other companies that have thrived on government work. Since this government took office in 1957, it has offered material assistance to Avro and its subsidiary, Dosco. On August 22, 1957, additional assistance over and above the subvention provided on movements of all Nova Scotia coal, was authorized on shipments of coal from the Springhill collieries. On January 15, 1958, the House of Commons passed the Atlantic Provinces Power Development Act. Amongst other things, this act authorized the payment by the government of Canada of a subvention on coal mined in eastern Canada and used in the four Atlantic provinces in the production of electric power by steam driven generators. This was to help stabilize and ultimately increase the market for coal.

Again on February 18, 1958, the cabinet issued a directive to government departments that Canadian coal be used in all government coal-burning installations where the laid-down cost of such coal did not exceed the competitive cost of other coals by more than 20 per cent. Again on April 14, 1958, the subvention policy was revamped raising the amount of government assistance on transportation of Nova Scotia coal to Ontario and western Quebec from 45 per cent of freight rates to 60 per cent; offers were made to the company of assistance of $4 per ton on movements of coal from Nova Scotia to Europe, and on the same day, the special assistance to the Springhill mines was extended to March 31, 1959. Of course, this does not apply to Springhill mines at this time because of the disaster that occurred there.

I join with my colleague, the member for Cumberland, in extending to those brave people my sincere sympathy. Mere words of mine, in fact mere words of anyone are not any use to people who have gone through what these people have gone through. Having worked in the coal mines myself, and having come through a gas explosion in a coal mine, I know in a very small, and very minute way what some of these men have gone through.

On June 10, 1958, an order in council was approved granting an additional 55 cents per ton subvention assistance to permit the sale of approximately 175,000 tons of Nova Scotia coal in Belleville, Ontario. Again, on June 27, 1958, the federal government broadened the base of its subvention payment schedule so as to include amongst the cost audit items to be determined by the comptroller of the treasury the amount of the insurance, stockpile and interest charges on excess coal stockpiled in 1958. It has been estimated the additional cost will be $500,000. The provincial government of Nova Scotia assisted in this measure by agreeing to contribute one-fifth of the cost, and the federal government will contribute the balance.

Another indication of assistance is the fact that on August 18, 1958 parliament accepted a government measure granting the Dominion Coal Company a five-year recess in payment of a $5,198,242 loan which it received from the federal government to assist in the cost of mechanization of the mines. I understand that the federal cabinet now has under consideration the recommendations of the dominion coal board concerning the industry's application, made in December, for increased subventions which, it is claimed, will be needed to penetrate the heavy consuming Ontario power production market. I mentioned December as the time when these submissions were made, in order to make it clear, it was not three months ago as was noted in the Halifax newspaper recently in a statement made by a former member of the dominion coal board. I feel that in making a statement of that nature he took advantage of a situation such as this, when people are going to suffer, to make a statement for political purposes. However, I could be wrong. He is only the past president of the provincial Liberal association.

Mr. Pickersgill: That is hardly worthy of the rest of your very good speech.

Mr. Muir (Cape Breton North and Victoria): I shall ignore that comment, as I usually have to do in so far as comments by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) are concerned. I should like him to go back to his newspaper if he does not wish to listen to me.

It is my hope, and certainly the hope of all Nova Scotians—the hon. member may not even be interested in our coal miners, so it might be better if he did read his newspaper —that the government will see its way clear to providing, within the framework of national and international policies, favourable action on the application in order to prevent further lay-offs and possibly reduce the length of the lay-off currently proposed by the company. I urge this sincerely and wholeheartedly, although I do know that in the short period this government has been in power it has certainly done its part.

In conclusion, I should like to refer to the statement of Sir Thomas Sopwith, chairman of the Hawker Siddeley group which controls Avro, made at the annual meeting. I quote:

> One final word on Canada. Your interests there are in good hands, with the company being well and efficiently managed by a team of energetic young and capable Canadians. The future of Canada is bright and glowing with promise. Because of the spread and the diversification of our holdings in Canada, it is our belief, that your company is well placed to grow and to prosper with Canada itself.

Does this mean that we in the maritimes will share in this growth and prosperity to which he refers, or does it mean more closed mines and possibly a closed steel plant? Does this mean a new series of conflicting statements which are damaging to the morale of the people who live in the maritimes? Does this mean that their boasting in a recent issue of the Halifax *Chronicle-Herald* about their assets really indicates that Dosco is going bankrupt? Does this mean that the company will encourage its salesmen to get out and try to sell more coal, or does it mean we will be importing American coal into the maritimes to the very back door of our own coal mines? Does it mean, perhaps, that the proposed march on Ottawa by the coal miners of Nova Scotia should be diverted to the company's head office in Montreal or even to London—although I thought we were no longer colonials? Does this mean that despite the utmost government co-operation which has been forthcoming Avro will continue to mislead many breadwinners who are dependent on the company for a livelihood? Does it mean that, at long last, the people of Nova Scotia can rely on the word of this gigantic corporation and place their faith in it? We must remember that faith without works is dead. We have not seen much evidence of the work, so it is rather difficult for the people of the maritimes to have faith.

This gigantic corporation has the future destiny of Nova Scotians in the palm of its hand. It is gigantic. It appears that the more gigantic a corporation becomes, the more ruthless it can be. I am sure that all members in this house and all Canadians who contribute through taxation to the development of industry are awaiting the answers to these and many other questions.

Mr. Fisher: I wonder whether the hon. member who has just resumed his seat would permit a question?

Mr. Muir (Cape Breton North and Victoria): Yes.

Mr. Fisher: Has he brought his views on this matter to bear upon the government as to the need for government intervention with this particular company?

[Mr. Muir (Cape Breton North and Victoria.)]

Mr. Muir (Cape Breton North and Victoria): Intervention in which way?

Mr. Fisher: That is what I want to ask; what sort of intervention?

Mr. Muir (Cape Breton North and Victoria): Yes. My views have been brought before the government.

Mr. Fisher: If I might just put another question to the hon. member, I should like to know whether he is aware of the fact that the people of the Canadian lakehead share exactly the same views as those entertained by the maritime people about A. V. Roe Limited.

Mr. H. M. Horner (Jasper-Edson): Mr. Speaker, it being nearly six o'clock, may I be allowed to adjourn the debate?

Mr. Pickersgill: No. Go ahead.

Mr. Green: Go ahead.

Mr. Horner (Jasper-Edson): If I may, Mr. Speaker, I too should like to add my congratulations to those which have been expressed to the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne. I was particularly proud of my colleague, the hon. member for Provencher, for his address on agriculture. It certainly should show this house that we in the west have an extremely able spokesman for agriculture.

I should also like to congratulate the hon. member for Montmagny-L'Islet on his extremely able address on national unity particularly. I was greatly interested in listening to the hon. member for Laurier (Mr. Chevrier) the other day when he made some statements with regard to the Liberal party and national unity. I do not know whether he will fool anybody in eastern Canada with that kind of talk but we in the west have realized for the last 20 years how the Liberal party went about national unity. They split us into so many pieces that we could not possibly have an effective voice in the working of this country. As I have said, my colleague, in moving the address in reply to the speech from the throne, made some pertinent remarks with regard to the agricultural situation in western Canada particularly. I should just like to make some comment in that regard.

We all know that for the first time we have an energetic government working to solve the problems of agriculture. For the first time we have a government which has recognized that agriculture has problems. That is the first important step. As you listened to the Minister of Agriculture (Mr. Harkness) in today's debate, Mr. Speaker, I am sure you will have realized two major

things. The first is that this government has gone a long way in implementing its national policies for agriculture. The second thing is that the Liberal party is completely barren of any policy on agriculture. We in western Canada who are dependent upon our trade and our export markets were highly pleased with the trip of the Prime Minister (Mr. Diefenbaker) to the commonwealth countries and to the other nations of this world. Surely we have no better salesman in all of Canada than the Prime Minister.

I should like to add a word of thanks to the Minister of Agriculture for several things which have improved the lot of the small farmer in my constituency. First of all, the acreage payments were indeed a boon to these small farmers and meant a great deal. The change in the Prairie Farm Assistance Act has made it possible, for the first time in 25 years, for those farmers in my constituency at least to qualify under these regulations.

Further, I should like to thank him for what he has done to have Johne's disease or paratuberculosis in cattle included in the Animal Contagious Diseases Act, as I mentioned in a speech in the house last year.

The new agricultural subjects which the speech from the throne indicates will be brought forward in legislation at this session include the crop insurance program and the new credit arrangement for farmers. These are things which the farmers have been working for over the years. Under the previous regime nothing was done. The farmers were told, "We are not worried about you. We have you all split up amongst a bunch of splinter parties. You have not any effective voice. We are not even going to the bother of doing anything about it"; and they did not do so.

We are also happy in western Canada, as I am sure are people in all of Canada, that this government is going to bring forward a conservation program. Conservation is an important thing. It is important to conserve our land because that is our greatest natural resource. We must look after it.

An hon. Member: What about the march on Ottawa?

Mr. Horner (Jasper-Edson): One of my friends has asked me about the march on Ottawa. I should like to make a comment on that march. I am not at all worried about the farmers in my constituency not having any faith in me as to whether or not I will bring their problems to the attention of this house. I would suggest sincerely to the leaders of the farm unions in all of the prairie provinces that they be extremely careful that they do not get entangled in what has become a political march or in what some people would like to make a political march. The fact that they do not have the backing of the majority of the farmers in western Canada was shown on March 31 and will be shown again at the next election.

May I call it six o'clock, Mr. Speaker?

Mr. Speaker: Yes. The hon. member may now call it six o'clock.

At six o'clock the house adjourned, without question put, pursuant to standing orders.

APPENDIX

VISIT TO THE SENATE BY MEMBERS OF THE CANADIAN PARLIAMENT

EXTRACT FROM CONGRESSIONAL RECORD OF JANUARY 9, 1959

Mr. Aiken: Mr. President, many of us have been looking forward to this day with great pleasure. Senators will recall that on August 8, 1958, the Senate adopted Senate Resolution 359 reading as follows:

> Resolved, that the Senate committee on foreign relations shall establish a subcommittee for the purpose of exploring, with appropriate officials of the government of the United States and with members of the Canadian parliament, the desirability and feasibility of increased systematic discussion between legislators of the two countries on problems of common concern.

I shall read two sentences from the committee report of Senate Resolution 359 to indicate the motivation behind the resolution:

> It was the feeling of the committee on foreign relations that an attempt should be undertaken to strengthen the bonds between the United States and its great neighbor, the commonwealth of Canada. In these critical times, it is of crucial importance that the friendship and understanding between our nations be deepened in every possible way.

Mr. President, this Senate resolution did not simply happen. For some years, members of the Senate Committee on Foreign Relations and of the House Committee on Foreign Affairs have been keenly aware of the special relationship between the United States and Canada and the useful results which might flow from increased contact between legislators of the two countries. In May, 1957 a report by Representative Frank M. Coffin and Representative Brooks Hays suggested that some form of parliamentary consultation between the two countries be established. In a speech at Wesleyan University on June 8, 1958, Prime Minister Diefenbaker referred to this concept. The subject was further discussed last July by the Prime Minister of Canada and the President of the United States.

Pursuant to Senate Resolution 359, I was privileged to be named by Chairman Green of the Committee on Foreign Relations to be the chairman of a liaison committee. My colleagues on that committee are Senators Mansfield, Capehart, and Morse. Last September I went to Ottawa where I was joined by Senator Capehart and we had a preliminary discussion with members of the Canadian parliament, some of whom are here today. Later in September, Representative Brooks Hays and Representative Frank M. Coffin held similar discussions in Canada. As a result of these discussions it was determined that a delegation of members of the Canadian parliament would come to Washington at this time. Acting Chairman Morgan of the House Foreign Affairs Committee has appointed a liaison committee composed of Representative Edna F. Kelly, chairman, and Representatives Frank Coffin, Walter H. Judd, and Chester E. Merrow.

Mr. President, this is in brief the background of the introduction which I am about to make. A delegation of most distinguished members of the Canadian parliament is now with us to continue the consultations begun in Canada last fall. Mr. President, I ask unanimous consent to insert in the record at this point in my remarks certain biographic information about the Canadian delegation.

Mr. President, it is indeed a high privilege to present to this body the Speaker of the Senate of Canada, the Hon. Mark Drouin. [Applause, Senators rising.]

Mr. President, it is also a high privilege to present to the Senate the Speaker of the House of Commons of Canada, the Hon. Roland Michener. [Applause, Senators rising.]

Speaker Drouin is accompanied by two of his colleagues, the Hon. Sydney John Smith and the Hon. William R. Brunt. [Applause, Senators rising.]

Speaker Michener of the House of Commons is accompanied by five of his colleagues, the Hon. Lionel Chevrier, the hon. Hazen Argue, the hon. William L. Houck, the hon. Richard D. Thrasher, and the hon. Erik Nielsen. [Applause, Senators rising.]

Mr. President, if the rules of the Senate permitted it, I would call attention to the fact that the wives of seven members of the Canadian delegation and the daughter of one member are in the gallery. [Applause.]

Mr. President, I know that other members of the Senate wish to pay their respects to our distinguished guests. I am happy to yield at this time for that purpose; and after they leave the floor, they will go to the office of the Vice President, where other Senators may meet them.

Mr. Capehart: Mr. President——

Mr. Johnson of Texas: Mr. President, before I yield to my delightful friend, the Senator from Indiana, I wish to commend the Senator from Vermont for bringing into the chamber these very able and distinguished Canadian neighbors of ours. There is no nation for which we have more love or affection, and we are pleased beyond compare that they are here to visit with us. I look forward

with great anticipation to meeting them in the office of the Vice President, and listening and learning.

I yield now to my friend, the Senator from Indiana.

Mr. Capehart: Mr. President, last fall I had the pleasure and the good fortune of visiting with these gentlemen in Ottawa, along with the Senator from Vermont [Mr. Aiken]. I urge all other members of this body and also all members of the House of Representatives to visit with these distinguished members of the Canadian parliament. I do not know how these gentlemen could have been any nicer to us than they were. If my colleagues want to encounter real hospitality and real friendship, I suggest that they visit Canada and these gentlemen.

I say to our distinguished guests that we in the United States need their co-operation and support, and we appreciate their co-operation and support. I hope we can have many meetings similar to the ones Senator Aiken and I enjoyed with them in Ottawa; and I hope that they and all other members of their parliament will visit us here.

Mr. Dirksen: Mr. President——

Mr. Johnson of Texas: I yield to the Senator from Illinois.

Mr. Dirksen: Mr. President, understanding and friendship are a two-way street. Out of friendship comes understanding, and out of understanding comes friendship; and of course, that process makes our relationship so pleasant and makes understanding so very easy.

Of course, our two countries have the common experience of Anglo-Saxon background and a common language; and out of that has come, over a long period of time, the felicity which makes you call us your neighbor, and makes us call you our neighbor.

I am glad you are here; and I believe that from parliamentary meetings such as this one and the one I enjoyed attending in Europe so recently, there comes better understanding which advances the whole cause of progress. So I am delighted to see you here.

Mr. Langer: Mr. President, will the Senator from Texas yield to me?

Mr. Johnson of Texas: I yield to the distinguished Senator from North Dakota.

Mr. Langer: Mr. President, I wish to say to our distinguished guests and friends that I am their neighbor; I live in North Dakota. I have had many delightful experiences in meeting citizens of Canada who have visited North Dakota.

Of course, I, in turn, like to visit Canada, both to enjoy my experiences there and meetings with its fine citizens and to enjoy the fishing. In addition we have the benefit of the great Peace Garden.

I want to compliment our distinguished visitors for the fine way their government treated the farmers of Canada after World War I. Within a year Canada cancelled every seed and feed loan. But in North Dakota alone there were 34,000 farmers; and today our government still is charging 4,000 of them 6 per cent interest a year, and the result is that the interest amounts to a great deal more than the principal.

So when we meet in the Peace Garden and when our farmers join your farmers in celebrating, our farmers are very much distressed to find that they have not received from their government the fine treatment that your government has given to the farmers of Canada.

I join my colleagues in bidding you welcome. It is most delightful and indeed a very great pleasure to see you here.

Mr. Morse: Mr. President——

Mr. Johnson of Texas: Mr. President, I yield to my distinguished friend, the Senator from Oregon, who is a member of the Foreign Relations Committee.

Mr. Morse: Mr. President, I wish to say to our Canadian friends that I have the privilege of serving under the leadership of Senator Aiken, who is chairman of our so-called Canadian subcommittee of the Foreign Relations Committee, of which the Senator from Indiana [Mr. Capehart] is also a member; and then I have the privilege of having them serve with me in my capacity as chairman of the subcommittee on Latin-American Affairs.

The message I would leave with our distinguished Canadian brothers is that in my opinion we have a comity of interest and obligations in respect to Latin America. I have said at meetings of the Foreign Relations Committee, and I wish to say now to our distinguished guests, that in my judgment Canada and the United States should proceed as brothers in the attempt to solve the relationships with Latin America, to the end that they may be improved and that there will be a better understanding throughout Latin America in regard to her two northern neighbors.

My conversations with members of the Canadian parliament in the past lead me to believe that you gentlemen share that point of view. Therefore, in my capacity as a member of Senator Aiken's subcommittee and as chairman of the Latin-American subcommittee, I invite you to join with us in a partnership arrangement, to the end that we may strengthen the policies toward Latin America on the part of both Canada and the United States.

Welcome to Canadians by U.S. Senators

Mr. Javits: Mr. President——

Mr. Johnson of Texas: I yield to my friend, the Senator from New York.

Mr. Javits: Mr. President, I, too, would like to join my distinguished colleagues in a word of welcome to our dear friends, these distinguished members of the parliament of Canada. I represent in part the state of New York, a state with which they have many important relationships, both in the economic field, in social terms, and in governmental matters. I hazard the guess that they visit my state perhaps more than any other state in our nation.

Of course Canadians are always very welcome in New York, as they know. We count them as brothers, and we mean that very literally. Furthermore, the state of New York prides itself on its economic relations with Canada. Canada joins us in connection with the St. Lawrence Seaway and in connection with the use of the waters of the Niagara river and its tremendous power development and the great community of interest that exists between us.

I think I speak advisedly when I say that today our new Governor, Nelson Rockefeller, has very close to his heart the entire matter of United States-Canadian relations, particularly in terms of the interests of our own state; and as these gentlemen have experienced with our governors prior to Governor Rockefeller, I believe they will find a welcome hand, a warm understanding, and a spirit of great co-operation added to a spirit of new enterprise in terms of the government of the state of New York. I know I certainly bespeak the views of my colleague from New York, who does not happen to be on the floor at the moment.

Mr. Mansfield: Mr. President——

Mr. Johnson of Texas: I yield to my friend from Montana.

Mr. Mansfield: Mr. President, I wish to join my colleagues in welcoming our neighbors from across the border, members of the parliament of Canada.

Because I represent, in part, the state which has perhaps the closest contact with the most Canadian provinces, since Montana borders on British Columbia, Alberta, and Saskatchewan, and because I know something about the many problems which sometimes cause us trouble and difficulty, but never divide us, I am delighted that these members of the Canadian parliament are here to visit with us, to discuss these difficulties, and to arrive at common understandings.

I wish to commend the distinguished Senator from Vermont [Mr. Aiken] for taking the initiative in the establishment of this interparliamentary group, so to speak, and I wish to point out that he got the idea from Premier Diefenbaker, who, while visiting Trinity College, in Connecticut, made a speech to the effect that a liaison group of this kind would be in the best possible interest of both countries.

So I am delighted that these gentlemen are here. I hope this meeting is only the beginning of many similar meetings in the future; and I know that from them will come a better understanding, a better feeling, and an accentuation of the good will which has marked the relationships between our two countries, not only since both of our countries became independent, but even before then.

Mr. Humphrey: Mr. President, will the Senator from Texas yield to me?

Mr. Johnson of Texas: I yield to my friend, the Senator from Minnesota.

Mr. Humphrey: Mr. President, I wish to join my colleagues today in extending the warm hand of friendship and welcome to these distinguished members of the parliament of Canada.

It is my privilege to represent, in part, in this body the great state of Minnesota. Of course, Minnesota joins territorially and geographically the great country of Canada; and our relationships are cordial, friendly, and, indeed, helpful to both areas.

Likewise, we are at the end of the great St. Lawrence seaway. So that our relationships in the area of commerce with Canada are closer than ever. Many people from Minneapolis and St. Paul travel to Winnipeg, Canada, and many persons from Winnipeg come to the Twin Cities.

When I was mayor of Minneapolis, I visited Winnipeg, and the mayor of Winnipeg came to our area. Those relationships are very happy memories. But I believe now, as has been suggested today, we would do well to talk of the future, and resolve to solve our problems as good friends do, respecting the rights of each other, and making such accommodations as will provide for unity through understanding and mutual respect.

I join with the Senator from Vermont [Mr. Aiken], and wish to commend him upon his worthy endeavors and leadership in establishing, on our part, this very fine example of co-operation between two great countries. I am looking forward to the coming days when we can be together again.

Mr. Case of South Dakota: Mr. President, will the Senator from Texas yield to me?

Mr. Johnson of Texas: I yield to the Senator from South Dakota.

Mr. Case of South Dakota: I think probably I am one of the very few members of the U.S. Senate who found it convenient and desirable to go home last August by way of Canada. I live in South Dakota, but I went to New England, and, from lake Champlain, went to Canada. I visited Ottawa, and saw the government house, and some of the very fine and outstanding buildings there. In fact, it was my thought at the time that Ottawa was splendidly equipped to be the scene of international conferences and international groups, as it has been in the past. I am sure it will be in the future.

From there I went north, to Algonquin provincial park. I may say to my colleague from North Dakota that I saw a shorthorn cow which I thought was the largest cow I had ever seen. [Laughter.]

I have a picture of it. I am exhibiting it to my friends in South Dakota and saying, "Take a look at that, and do your best." We spent a few days at Huntsville, in the beautiful lake country of that area. It is magnificent. I was proud that it was a part of a country that is our friend, Canada.

You are most welcome here. I hope some of you will visit us in South Dakota.

Mr. Yarborough: Mr. President, will the Senator yield to me?

Mr. Johnson of Texas: I yield to my colleague.

Mr. Yarborough: Mr. President, as one of the representatives in the Senate from the state of Texas and as a member of the Senate Interstate and Foreign Commerce Committee, I want to join in these words of welcome to our friends, the members of the Canadian parliament with us in the Senate today. The Senate Interstate and Foreign Commerce Committee has no jurisdiction over legislation dealing with foreign relations but does have jurisdiction over laws relating to foreign commerce.

In the last session we had the privilege of passing two bills which furthered commerce between Canada and the United States. One of those bills extended the time during which a Canadian-owned steamship line may serve the 49th state by furnishing service between Alaska and the other 48 states. I think it is an anomaly that the only regular steamship service between Alaska and the other 48 states is furnished by a Canadian steamship line.

Many citizens from my state have been to Alaska. The only way they can get to Alaska overland is by going through Canada over the Alcan highway. The only transportation ties between our old 48 states and the new 49th state by land or water have been by Canadian aid, either through using Canadian steamship service, or overland, across Canada itself. Such transportation bridge between our newest state, Alaska, and the older 48 states across the Dominion of Canada, serve to strengthen the ties of commerce and bonds of friendship that link our two nations and peoples.

In the last session of the Congress there also was passed a bill which permitted foreign-owned vessels—British and Canadian owned barges primarily—to use the inland waterways of the United States. Such laws deal with commerce, and not with treaties. They deal with people-to-people relations, further promoting the commercial relations of our two nations.

There is another phase of this subject in which our people are directly interested, and that is gas and oil lines from the great reserves in Canada to markets in the United States. More gas and oil pipelines have been projected.

Our friends will recall that during the dark days of World War II our war effort was crippled by the fact that so many ships were sunk by German submarines. The enemy at that time had only about one-eighth the number of submarines now possessed by countries behind the Iron Curtain.

In the event another such tragedy should befall us, the oil and gas pipelines which link these energy reserves with the industrial centres of our two nations would provide the means of furnishing fuel and energy to both of our countries, to help us survive in any assault which might possibly be made against us.

We want our Canadian friends to know we are appreciative of their co-operation. You have permitted the building of the D.E.W. line, the radar observation chain, in your northern territories, so that the first warning of attack on the United States or Canada will come from your territory. We are grateful to you for the great friendship and co-operation of your people in these endeavors.

I am glad to help welcome you to the floor of the U.S. Senate.

Mr. Cotton: Mr. President, will the Senator yield to me?

Mr. Johnson of Texas: I yield to the Senator from New Hampshire.

Mr. Cotton: As a representative of a state, New Hampshire, which is a neighbor of Canada, on behalf of Senator Bridges and myself I want to express my sincere sympathy for your having had to listen to me and to other Senators in bidding you welcome.

Mr. Lausche: Mr. President, will the Senator from Texas yield to me?

Welcome to Canadians by U.S. Senators

Mr. Johnson of Texas: I yield to the Senator from Ohio.

Mr. Lausche: As the senior Senator from the state of Ohio, which is in physical contact with Canada except for lake Erie, I wish to extend a welcome to you in your visit to the United States. I believe I speak the will of the people of Ohio when I say to you we have recognized the mutual interdependence which exists between Canada and the United States.

I feel positive that the people of Ohio recognize that the things which hurt Canada will eventually hurt Ohio. We believe that as Canada grows stronger, the United States will grow stronger. We believe that if we grow weak, Canada will inevitably grow weak. We are neighbors standing shoulder to shoulder, lifted and dropped by every good thing or every bad thing that affects us.

As a member of the Senate, I should like to say to you that in my approach to my responsibilities with respect to Canada, I will constantly have in mind that anything imprudent which I did, prejudicially affecting your dominion, inevitably will affect my nation. I think I speak the thinking and the will of the citizens of Ohio when I deliver that message to you.

Mr. Wiley: Mr. President, will the Senator from Texas yield?

Mr. Johnson of Texas: I yield to the Senator from Wisconsin.

Mr. Wiley: My friends from Canada, as a representative of a state bordering on lake Superior, a large part of which provides the southern line of Canada, and speaking also on behalf of the Senator who now occupies the Chair, the junior Senator from the state of Wisconsin [Mr. Proxmire], I bid you welcome. It is good to see some old acquaintances in this delegation, friends I made in connection with meetings of those interested in the St. Lawrence development. One I knew when attending sessions of the United Nations.

Canada has been of interest to me from the days when I was a boy and read the story of Evangeline. As I grew into manhood, I visited the cities of Quebec and Montreal. I travelled through the lake country and across the continent on the Canadian Pacific, up to Lake Louise and Banff, and on to the west coast. It seemed to me that God Almighty had created this continent to be one geographically, to be one in its political approaches, although our governments were separate as nations, one in the religious approach of our people, and one in the economic approach to domestic and world problems.

I think it is a wonderful thing, gentlemen, that this exchange of members of parliamentary bodies has gotten underway to such a point that groups such as yours, who really are the ambassadors of good thinking and good living, visit their neighbors. It makes for the constructive building up of relationships in every direction. We welcome you, and may you begin today to have the time of your lives in the good old U.S.A.

Mr. Thurmond: Mr. President, will the Senator yield?

Mr. Johnson of Texas: I yield to the Senator from South Carolina.

Mr. Thurmond: I thank the Senator from Texas.

Mr. President, since I come from one of the states of the far south, South Carolina, I take this opportunity to extend the glad hand of welcome to these distinguished gentleman from the far north, from the great republic of Canada.

Mr. Saltonstall: Mr. President, will the Senator yield?

Mr. Johnson of Texas: I yield to the Senator from Massachusetts.

Mr. Saltonstall: I may say to you gentleman from Canada that I come from Massachusetts. I was in Ottawa when the idea was first fostered of the exchange of greetings between members of the parliament of Canada and ourselves. As a Massachusetts Senator, knowing that many good Canadians are in Massachusetts and that they generally vote Republican, I am very glad to see you here.

Mr. Aiken: Mr. President, I wish to thank the majority leader, the Senator from Texas, for yielding the time for the paying of tributes by the members of our body to our Canadian friends who are visiting us today. I think this is a great day for the United States and for Canada. As I stated earlier, our friends will be in the Vice President's room for a short time, where they will be glad to meet any members of the Senate. I hope all those who have not spoken, at least, as well as all those who have spoken, will meet our friends personally.

HOUSE OF COMMONS

Monday, January 26, 1959

The house met at 11 a.m.

IMMIGRATION ACT

AMENDMENT RESPECTING RIGHT OF APPEAL OF DEPORTATION ORDER

Mr. L. D. Crestohl (Cartier) moved for leave to introduce Bill No. C-20, to amend the Immigration Act (jurisdiction of courts).

Some hon. Members: Explain.

Mr. Crestohl: Mr. Speaker, by section 39 of the Immigration Act an appeal against a deportation order is restricted to Canadian citizens and to those domiciled in Canada only. The purpose of this bill is to make the right of that appeal available to everyone.

Motion agreed to and bill read the first time.

NATIONAL CAPITAL PLAN

INQUIRY AS TO APPOINTMENT OF MEMBERS OF COMMISSION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he can explain to the house why the appointments to the national capital commission were not announced in the house, as indicated by him on January 16 would be done, with an explanation for the delay. I would like to ask him also whether he can explain why neither the mayor of Ottawa, the mayor of Hull, nor any representative of either corporation has been appointed to this commission.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, announcements such as these are not ordinarily made in the house. There was no reason whatsoever for not making them here.

So far as the latter part of the question is concerned, it was felt that in view of the fact that this commission represents the nation as a whole, the two municipalities in question should not be directly represented by their respective mayors.

CANADIAN BROADCASTING CORPORATION

MONTREAL—SUGGESTED INTERVENTION OF MINISTER IN LABOUR DISPUTE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to address a question to the Minister of Labour. Can the minister now say whether he is prepared, because of the continuation of the producers strike in Montreal, to invite the parties to the strike into his office to see whether the strike may not be settled? I ask the question, Mr. Speaker, particularly because of the action of the C.B.C. management in hiring 100 private police, according to newspaper reports.

Hon. Michael Starr (Minister of Labour): I met with the representatives of the C.C.C.L. and one representative of the producers on Friday afternoon. No other action is contemplated at the moment.

Hon. Lionel Chevrier (Laurier): May I ask a supplementary question. Does this answer to the hon. member's question mean that notwithstanding section 56(1) of the Industrial Relations and Disputes Investigation Act, the minister still proposes to take no action?

Mr. Starr: No, it does not.

Mr. Chevrier: May I direct a supplementary question to the Prime Minister. In view of the fact that the government still refuses to intervene in the dispute which is paralysing the French network of the C.B.C., and since the corporation is ultimately responsible to parliament, will the Prime Minister take the necessary steps to convene immediately the special committee on broadcasting for the purpose of hearing the parties to the dispute?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the question, of course, at this time is hypothetical. Any question of convening a meeting of a committee would, of course, have to await the termination of the debate on the address in reply to the speech from the throne.

Mr. Chevrier: Mr. Speaker, may I be allowed to ask this additional question. Does the Prime Minister not consider that by virtue of the rules of the house the government may interrupt the debate at any time with the unanimous consent of the house to consider a matter of this kind?

Mr. Diefenbaker: Mr. Speaker, I do not know of any committee that was ever set up before the conclusion of the throne speech debate.

Mr. Pearson: That is no answer.

Mr. Argue: That is not any answer.

Mr. Pickersgill: It has happened often.

TRADE

DOMINICAN REPUBLIC—EXPORT OF CANADIAN FIGHTER PLANES

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Minister of Trade and Commerce if he is in a position to say whether Canadian jet or any other fighter planes have been or are being supplied to the Dominican Republic, and what steps are being taken to ensure that in any such export to the United States the planes will not reach a third country?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, no export permit for the planes in question has been issued.

Mr. Martin (Essex East): Has application been made?

Mr. Churchill: Application was made and the export permit was not granted.

Mr. Martin (Essex East): Does my hon. friend know whether or not the planes have been sent to the United States and will be sent on vicariously?

Mr. Churchill: I have no knowledge that the planes have been sent to the United States.

Mr. Martin (Essex East): Was the application refused?

Mr. Churchill: The application was refused.

Mr. Harkness: He has already told you that.

Mr. Martin (Essex East): No.

Mr. McIlraith: No, he did not. He was very careful not to say that.

COMBINES INVESTIGATION ACT

SUGAR—PROSECUTION OF B.C. SUGAR REFINING COMPANY

On the orders of the day:

Mr. Frank Howard (Skeena): I have a question I should like to direct to the Minister of Justice; I hope that notification reached him in sufficient time. Will the minister tell the house whether he has received any opinions from Mr. F. O. Meighan, Q.C., regarding the prosecution of the B.C. Sugar Refining Company Ltd. and, if so, will he report to the house on the present status of this case?

Hon. E. D. Fulton (Minister of Justice): I thank the hon. gentleman for sending me notice. I have to advise him that the case is still under discussion with counsel, and I am therefore unable to report to the house at the present time.

[Mr. Pickersgill.]

HEALTH AND WELFARE

QUEBEC CITY—STATEMENT AS TO SALE OF IMMIGRATION HOSPITAL

On the orders of the day:

Mr. Maurice Bourget (Levis): May I direct a question to the Minister of National Health and Welfare. Has the minister received any offer from the provincial government of Quebec or other persons for the purchase of the immigration hospital in Quebec city?

Hon. J. W. Monteith (Minister of National Health and Welfare): No direct offer has been received. Consultations have been taking place, and when any further information is available I will be glad to inform the hon. member.

DOMINION-PROVINCIAL CONFERENCE

REQUEST FOR RECONVENING TO DISCUSS FISCAL MATTERS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder whether I could ask the Prime Minister if he has received a letter from the premier of Saskatchewan asking the government to reconvene the federal-provincial conference to discuss fiscal matters, and if any reply has been made to any such letter?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I received a letter from the premier of Saskatchewan, and I will ascertain the extent to which the requests in that letter are in accordance with the suggestions of the hon. gentleman.

Mr. Pickersgill: Is it the intention of the government to reconvene the federal-provincial conference?

Mr. Diefenbaker: When any decision is made an announcement will be made.

HIGHWAYS

BOUCHERVILLE-CAUGHNAWAGA—REPORTED CONSTRUCTION OF FOUR LANE SCENIC ROAD

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Transport. It was announced in Saturday's press that a four lane scenic highway is to be built between Boucherville and Caughnawaga on the south shore of the St. Lawrence river opposite Montreal, a large portion of which highway will pass over lands expropriated by the seaway authority. Is the minister aware of this, and did the province enter into an agreement with the seaway authority for the purpose of constructing a

road on this land, which it was announced not long ago would be used for park and recreational purposes?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I should like to thank the hon. member for his courtesy in advising me of his intention to ask this question. We have heard of this matter through the officials of the highway department of the province of Quebec. There has been no formal approach made to us by the province of Quebec, and I would think this would be a matter for discussion between the interested parties, the province of Quebec, the St. Lawrence seaway authority and the municipalities concerned.

POST OFFICE DEPARTMENT

REQUEST FOR SALARY ADJUSTMENTS AND COLLECTIVE BARGAINING RIGHTS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Postmaster General arising out of a telegram I have received. Is the minister giving consideration to the requests of the federated association of letter carriers and the Canadian postal employees association for salary adjustments to compensate for the increase in the cost of living, as well as the request for collective bargaining rights for postal employees?

Hon. W. M. Hamilton (Postmaster General): Matters of that kind, Mr. Speaker, are not the responsibility of the Postmaster General but of the civil service commission, whose functions include recommendations on salary levels and changes in all branches of the civil service, as well as working conditions.

TRANSPORT

GREAT LAKES PILOTAGE—REPORTED REQUEST FOR STATEMENT ON NEW REGULATIONS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I wish to direct a question to the Minister of Transport relating to press reports resulting from the joint meeting of the dominion marine association and lake shippers, which indicate that pilotage regulations will not be approved by either the American or Canadian governments in time for the opening of the shipping season, and also indicate that foreign and British ships will not be required to use pilots on the lakes to a greater extent than they do now. I wonder if the minister would comment on these reports and give us some indication as to when legislation may be considered in this house, and whether it will be before the opening of the shipping season.

Hon. George H. Hees (Minister of Transport): This matter has been under intensive consideration by the Department of Transport, and as it is a very detailed and complicated matter it is not one which can be answered at such a time as this. I would suggest to the hon. member that the time to ask this question and get an answer would be when the amendments to the Canada Shipping Act are before the committee on railways, canals and telegraph lines, I hope some time in the near future.

BRIDGES

PRINCE ALBERT—REPORTED FEDERAL CONTRIBUTION TO COST

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to direct a question to the Minister of Public Works. Has the federal government agreed to pay a part of the cost of a new bridge in the city of Prince Albert? If so, is this payment being made because the river there is navigable, is the proposed bridge an interprovincial one or is this part of the second trans-Canada highway? What is the principle underlying the agreement?

Hon. Howard C. Green (Minister of Public Works): I think this question should be directed to the Minister of Northern Affairs and National Resources.

Mr. Regier: Would the other cabinet minister reply?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Will the hon. member repeat the first part of his question?

Mr. Regier: Has the government agreed to pay part of the cost of a new bridge in Prince Albert? I should like to know, if it has, on what principle the grant is going to be paid. Is this an interprovincial bridge, or is it part of a new highway, or what?

Mr. Hamilton (Qu'Appelle): I made this clear in the standing committee last year, but I shall repeat the answer. The bridge at Prince Albert is part of the roads to resources program in co-operation with the province.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, January 23, consideration of the motion of Mr. W. H. Jorgenson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Pearson, and the amendment to the amendment of Mr. Argue.

Mr. H. M. Horner (Jasper-Edson): At the hour of adjournment on Friday, Mr. Speaker, I had commented with regard to the so-called march on Ottawa. I should like to comment on that a little further by issuing a personal warning to the officers of the farm union in western Canada to be very careful about becoming entangled in this march, because it is becoming political in nature. I say that because in the last two years when the farm unions of western Canada have come to Ottawa they have been well received by this government, in marked contrast to the manner in which they had been received by previous governments. I would think that it would be extremely dangerous for them to upset the confidence which they have already gained.

To comment further with regard to the agricultural situation I should like to say something with regard to the production of hogs. We all know that we are facing a pork surplus. I would suggest to the Minister of Agriculture—and I hope he will give the matter consideration—that if there is necessity to lower the pork floor price, it should not be done but rather that commercial producers be excluded from that floor price. In other words I suggest that the support be made available to bona fide farmers only. I think this will do more than anything else to preserve our small farmers and family farms and to prevent vertical integration.

I should now like to make a few remarks with regard to the employment situation. First of all I should like to commend the Minister of Labour and the other members of the cabinet. Because of their actions and the actions of this government I can report to the house that unemployment in my constituency is at a minimum. It is less this winter than it has been in previous winters under the Liberal regime. This situation is a direct result of the action of this government, particularly with regard to housing. This has put to work this winter many hundreds of our loggers who would not otherwise have been employed, together with the action of the Minister of Labour in instituting the municipal work program. As you may have realized, Mr. Speaker, the province of Alberta is a leading province in taking advantage of this program. I should like to say to the minister that this program is working out very well. I can say to him that he has put hundreds of men to work in my constituency alone.

I also commend the Minister of Northern Affairs and National Resources for the work program in Jasper park. It is getting some vitally needed work done. It is not a relief program; it is a program for the development of our resources.

With regard to some of the speeches which have been made in this house by members of the opposition, I should like to quote from an editorial which appeared in the Edmonton *Journal* in the early part of November. It is entitled "Playing Politics with Misery". The first paragraph of that editorial gives some figures which are not now relevant, but it goes on to state as follows:

> The jobless totals include many unemployables, farmers and farmers' sons who register for other jobs as soon as harvest work is completed, persons changing jobs of their own volition, and so on.
>
> While farm employment was down, employment in several other lines was higher. Non-farm employment was virtually at the same level as last year although, of course, Canada's working population is greater. On the prairies, persons with jobs totalled 1,641,000 which was 17,000 more than last year but 6,000 fewer than September. Nevertheless, the picture of a substantial number of Canadians able and willing to work and unable to find jobs is not one to gloss over.
>
> What must be deplored is the eagerness in certain quarters to play politics with the misfortune of thousands of fellow-Canadians. Stanley Knowles, executive vice-president of the Canadian Labour Congress and former C.C.F. member for parliament, was swift to demand that Prime Minister Diefenbaker break off his world tour and rush home to deal with the unemployment situation. Liberal Leader Pearson's position was little more creditable when he tried to create the impression that government policies are responsible for the unemployment total. He knows perfectly well that such is not the case.
>
> Mr. Diefenbaker can do much more good by seeking markets for Canadian products abroad than by rushing home and calling a special session of parliament. However, his efforts and the efforts of everyone else in promoting trade will be worthless if industry and labour continue on their merry way pursuing policies that price our goods out of the world market and stoke the fires of inflation at home.
>
> Socialists who never overlook a chance to exploit dislocations in the economy have a private motive. Their burning ambition is to destroy our free enterprise system. Those who are deceived thereby should know that if free enterprise is destroyed everything else free, including personal liberty, will be destroyed with it. Inflation does not disturb a socialist; he sees it as a means to hasten the overthrow of our system.

I think that editorial neatly sums up some of the speeches we have heard in this house regarding unemployment and the situation in Canada. We do need to have more insight shown by our labour union leaders, and, probably one of the reasons they have not time to show this insight is that they are becoming involved in politics and because they, like the farmers union leaders, can no longer speak for the rank and file. That is the important thing they should be considering at this time.

We do not only have to consider labour when we are asking ourselves how well a

job is done, but management also. We have too many large corporations whose management is topheavy. We ask labour to increase production when they want a raise in wages; we must also ask management to increase production before they receive an increase from investment. Indeed, if they are to maintain the benefits which they now receive they must show this country that they can produce more at less cost and with smaller executive power.

We have heard a great deal with regard to inflation. Inflation is not something which began last year or the year before. It has been going on for a long time, since even before the second world war. I think the basic explanation of inflation is that the cost of goods or services is above their actual value. As I say, this is nothing new; it has been going on for years, and one of the major causes of inflation, and particularly of its rapid increase over the past ten or twelve years, has been the extravagance and misspending of the former government. We in western Canada do not need to look at the printing bureau. We have our own printing bureaux in every one of our western constituencies. I have one in particular in Jasper park, where buildings were erected at fantastic prices and where roads were built at fantastic prices, roads which failed to stand up for even a limited period of years.

There is nothing wrong about government spending to create employment, and this will not cause inflation as long as we are diligent to ensure that value is received in return for this expenditure. This requires leadership, and I am sure the whole country agrees we now have that leadership under the present government.

I should like to make a few remarks with regard to the operation of the Canadian National Railways, because they are the vital link in my constituency. Here I point the finger at management, and at the failure of the management of the C.N.R. to use some imagination and initiative in order to establish that railway as a proper competitor of the Canadian Pacific Railway. When we talk about freight rates, rates upon which the whole of our economy in western Canada is based, this is the first thing we think of; and we ask ourselves, can management improve its competitive position? We think it could. We think more could and should be done by management to bring our freight rates into line. I think it is an admission of failure on the part of management when every time costs go up, they immediately go to the board of transport commissioners asking for an increase in freight rates. I know that some of the railroads in the United States made money during the past year and are now paying 4 per cent to their shareholders. We in western Canada were, of course, very happy at the assurance by the Prime Minister that the Crownsnest pass rates will not be altered. We depend on them for our livelihood.

Now I should like to make a few remarks on the oil and gas industry. If I may I should just like to note the very inaccurate statement made by the hon. member for Welland (Mr. McMillan) in this connection speaking in the debate last Wednesday, as recorded at page 166 of *Hansard* of January 21. The hon. member said:

> Hon. members will also recall that about the same time, or shortly afterwards, the United States accommodated the Prime Minister by cutting off 15 per cent of our oil imports into the northwestern United States.

Mr. Speaker, that speech indicated that the Liberal party knows absolutely nothing about the oil industry in western Canada. We have heard that before in western Canada. Our friends in the Liberal party walked up and down our constituencies that produced the oil and said, "this government has now cut off 15 per cent of your exports," and so on.

This was not true. This is obviously inaccurate, for the simple reason that the exportation of oil into the United States does not depend on any government action but rather depends on available markets. We have today a world oil surplus. We have not been able to export to the United States even the amount of our allowable quota of oil, and never have we been able to do this. The hon. gentleman was completely wrong when he said there was any discrimination on the part of the Prime Minister or this government with respect to the exportation of oil.

I realize, Mr. Speaker, that the Liberal party is now so dead that it does not have the imagination or scope to know how big the oil industry is in western Canada or how much it can do for this country. I should like to cite a few figures concerning last year's oil operations in Alberta during a period of recession and in the face of a world oil surplus. The oil industry has confidence in the leadership of this government. To prove this I need only mention that those involved in the industry went ahead with exploration and the drilling of new wells. While our oil production was down 13 per cent last year our oil well completions were up. Total drilling footage was down 11 per cent but our total exploration expenses were up 7 per cent. For the education of hon. members opposite I should like to state that if a market for Canadian oil could be found we could wipe out our entire trade deficit with

the United States in one fell swoop. That is an indication of how big the industry is, and it is just starting.

The oil wells in my constituency produce well over 35 per cent of all the oil produced in Alberta, and new fields are now being developed. One of the largest gas wells in the world is located there from drilling which has recently taken place on the Little Berland river. The new areas known as Swan Hills and Virginia Hills are the hottest finds in western Canada. These are situated right at the top of my constituency. All these things will require imagination and initiative in enacting legislation that will enable the oil industry to develop. This is one of the major industries in Canada and one of the most significant developments in our economy.

At the extreme western end of my constituency, of course, there is Jasper national park. I wish to say a few words in this regard, because the change in government has meant a great change for the people living in this park. For the first time in history the Minister of Northern Affairs and National Resources (Mr. Hamilton) visited the park, sat down with the people there and discussed with them their problems. That was never done before. The former minister under the old regime came out to Jasper but would not talk to the people there. He said he was not interested in the people but was worried about the bears.

Mr. Martin (Essex East): That is ridiculous.

Mr. Horner (Jasper-Edson): I should like to congratulate the Minister of Northern Affairs and National Resources for his attitude and the interest he expressed in the problems of those living in this park, because they do have problems. I should also like to remind him of the promise he made to establish a commission to study the question of municipal government in the national parks town sites in western Canada with a view to solving many of the problems presently confronting the people in those areas.

We cannot talk about Jasper national park without talking about the Yellowhead highway. We are very happy that in the near future, within three or four years, we will have a highway running through Jasper. I hope arrangements can be made with the government of British Columbia so the route from Kamloops to Yellowhead may be completed.

Before taking my seat I wish to support the suggestion made by the hon. member for Victoria (Mr. McPhillips) to the effect that the old age pension should be extended to old age pensioners living outside Canada. This is fair and just, in my opinion, and I trust the government will give this matter sympathetic consideration.

[Mr. Horner (Jasper-Edson).]

In conclusion may I say that we in Canada are on the verge of a great development. We need in this country the leadership of our Prime Minister. There is no room in Canada, in view of its challenging and progressive future, for speeches such as have been made by some hon. members of the opposition. We need imagination and initiative and young people who will develop our northland. Opportunities have never before existed in Canada to the extent that they now exist in our northwest, and they should constitute a compelling challenge to young Canadians.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should not like to begin my remarks without extending the conventional—and perhaps a little bit more than the conventional—compliments to the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne. It perhaps will not surprise anyone in the house if I address my observations first to the seconder, because I think all of us were curious to see what kind of person would succeed in the historic constituency of Montmagny-L'Islet the most promising Canadian of his race who has come into this house since the war, a man who is now giving to his province the kind of leadership many of us feel it has needed for a long time.

I think the hon. member who now has the honour to represent this constituency acquitted himself with distinction. I believe, too, we can say that he expressed the kind of sentiments one would have expected to hear expressed by the successor of Mr. Lesage.

(Translation):

Mr. Speaker, I wish to sincerely congratulate the hon. member, especially for having referred to national unity in the accents, even in the very words, of the greatest Canadian of our time, the Right Hon. Louis St. Laurent.

(Text):

The mover of the address comes from the province where I spent the greater part of my life. He is, like most Manitobans, competent and modest.

Mr. Churchill: Those who stay there.

Mr. Pickersgill: Those are qualities we normally regard as being characteristics of Manitobans.

Mr. Fulton: Is that why you had to leave?

Mr. Pickersgill: But the hon. member for Provencher is a veteran of two parliaments. When I read in the newspapers that he was to be given the honour of moving the address this year I confess that I thought this was another example of the confusion of the

government, and that the Prime Minister had confused Provencher with Springfield; because it seemed to me almost unprecedented for a government, especially this early in a new parliament, to pass over all the members elected for the first time to this parliament, and pass over two members who had been elected at by-elections, and give to someone who was elected to a previous parliament, and who had spoken on a previous address, the honour of moving the address in reply to the speech from the throne. But I confess, sir, that when I heard the hon. member for Springfield later in the address I realized that this was one case where the Prime Minister had not been confused.

I believe all of us on this side of the house, and I fancy most hon. members in this chamber, were a little disappointed that the Prime Minister had not seen fit to confer this signal honour upon the hon. lady who was recently elected in Grenville-Dundas (Mrs. Casselman), and whom we are looking forward to hearing at an early stage in the debate. I may say, however, that it was no surprise to me, if to no one else, that the Prime Minister, even though he did go back to an earlier parliament in selecting the mover, did not ask the hon. member for Restigouche-Madawaska (Mr. Van Horne) to move the address. Some of us doubtless remember the appeal the Prime Minister made to the constituents of the hon. member at a rally on May 4, 1947, at Campbellton. That was in 1947, sir, not 1948 or 1949.

Here are the Prime Minister's words as reported at that time:

> Charlie Van Horne has made a contribution, has placed before the House of Commons problems peculiar to this province, and in particular to this historic constituency, worthy of the finest traditions of representation in the House of Commons.
>
> I count him as an exceptionally good friend of mine, one who throughout the period of time he has been in the House of Commons has been one for whom I have had the highest respect, and I simply end my remarks in this direction by saying I want you to send Charlie Van Horne back to the House of Commons. This party wants him.

Mr. Diefenbaker: I do not want to interrupt my hon. friend, but just for the record he is 10 years out on that, too.

Mr. Pickersgill: I thank the Prime Minister for noting my very slight statistical confusion which, I may say, cannot even begin to compare with the enormities of his statistical confusion, as pointed out by the hon. member for Essex East (Mr. Martin) the other day. It was in 1957, sir, that this statement was made by the Prime Minister. But times have changed, sir, and we now see the hon. member for Restigouche-Madawaska perhaps not purged but so near the door that one more little push would put him out. And, sir, it does seem to me that it would not be surprising if the Prime Minister, like other leaders in other times, had a little list. The Prime Minister will remember Gilbert's little list of those who never would be missed, and I am sure that on the Prime Minister's little list Charlie's name heads all the rest.

Mr. Fulton: The hon. gentleman does himself an injustice.

Mr. Pickersgill: I think the Minister of Justice does the Prime Minister an injustice. I am sure the Prime Minister would miss me very much.

I must say, sir, that like the hon. member for Restigouche-Madawaska, though perhaps I will speak in somewhat more moderate language than the hon. member habitually does, being a Manitoban in origin, I regard unemployment as a serious and continuing problem; and I agree, sir, with the Prime Minister before the election, not after the election, that unemployment is not a statistic and that it is a human problem and it is as a human problem that it should be treated. The unemployed do not want history from the Prime Minister or from anyone else; they want action, and they want the kind of action that was promised before March 31, 1958, of which we have seen very little evidence since. But, sir, I for one feel that if statistics are to be used they should be accurate. In telling us that more Canadians worked more in 1958 than in any previous year the Prime Minister was not accurate. It would be impossible when 23,000 fewer Canadians were employed on the average throughout that year for more Canadians to have worked more in 1958. As the Prime Minister said eloquently the other day, you cannot have it both ways.

Now, sir, I was not altogether surprised that the Prime Minister was a little careless about those statistics, because it is not the first time the Prime Minister has been a little careless about facts. The Prime Minister devoted a certain amount of rather flattering attention to me during the election campaign. He made a reference at Yarmouth, Nova Scotia, which is reported in the Toronto *Telegram* of March 26 by Peter Dempson, and which I think it would be useful to have on the record for future reference. If I am inaccurate in any way I hope the Prime Minister will correct me at once. He said:

> Mr. Pickersgill said we were raising old age pensions too high. He said if we boosted them any highest some pensioners would be receiving more than some who worked. "That is one of the silliest

stories that could have been made anywhere," the Prime Minister said, as the crowd clapped in glee. "It is almost the Pickersilliest."

Mr. Hees: That is the ultimate.

Mr. Pickersgill: I can understand, sir, that such wit must have been irresistible and I think, sir, that no one is in a better position than the chief of the clan, Mac-Diefenbaker, to appreciate what an appropriate subject for subtle wit family names can be. I agree with the Prime Minister that this remark would have been the Pickersilliest if it had been true. But, sir, it bore no relation whatsoever to the facts. I should like to put the facts on record from *Hansard* of October 25, 1957, when I spoke in the debate on the Old Age Security Act amendment to which the Prime Minister referred at that time. I said at page 427:

I say at once, sir, I am going to support it. I am going to support it, but it does present a real problem for all of us—

And it still presents a real problem. I continued:

—who are conscientious representatives of constituents on the Atlantic seaboard. The effect of the legislation the government is now proposing will be—perhaps not for anyone more than myself and the hon. members for Burin-Burgeo and Grand Falls-White Bay-Labrador to give to the retired adults in many of our communities larger incomes than those of the working members of their families who have to contribute through the sales tax towards the payment of these pensions.

Later on I added:

Some of us represent, as I do, constituencies where the fishery has been poor, where the income is going to be a great deal less than it was a year ago. I am not blaming the government for that but it is a fact, a fact which the government, if it professes to be equally interested in all Canadians in all parts of the country, should be just as much concerned about as they are about the plight of the old age pensioners or the plight of the wheat grower, because a fisherman can starve just as effectively as can a farmer. There are going to be a great many people in the eastern part of this country, fishermen and woodsworkers who are going to be much worse off this winter than many of the old age pensioners.

And if that was true for the winter of 1957-58, unhappily it seems likely to be even more true for the winter of 1958-59.

When I made that statement one or two hon. gentlemen on the opposite side of the house got up and said, "Why didn't you do something about it?" That, of course, was a very natural retort to which I really did not feel I could take any particular exception at that time. But I do not think, as the Leader of the Opposition said earlier, that it means very much 18 months later. Now, if incomes in the Atlantic provinces were low in relation to those in other parts of Canada when we left office in 1957—unhappily they were in many cases, although they were a great deal higher than they had ever been before in the history of Canada—they are a good deal lower now in many sections of that community. That is perhaps not so for civil servants and members of the armed forces who, because they are concentrated in quite considerable numbers in some parts of the Atlantic provinces and have a national level of income, do help to bring up the total. But for many of the producers in the Atlantic provinces incomes have been substantially lower in 1958 than they were in 1957.

In no case can that have been much truer than it was in the case of the coal industry. The other day hon. members had their attention drawn to this advertisement which appeared in the Halifax *Mail-Star* inviting people to vote Conservative on June 10, 1957, and which said:

Your Progressive Conservative candidates are in favour of a coal policy that will increase coal production. Do a good turn for Nova Scotia. Turn out and vote Conservative on June 10th.

I am not going into a statistical analysis. I have the figures here as to how coal production was reduced in 1958 over 1957, and we know there are threats of very much more substantial reductions in the near future. Every reduction in the production of coal means a reduction in income for one of the basic industries of the province of Nova Scotia and, indeed, one of the industries also of the province of New Brunswick.

But it is not only in coal production that incomes and production have declined in the last year. This is also true of steel production. I have in my hand a communication which was addressed to the Leader of the Opposition by the united steelworkers of America on December 12, 1958. I am not going to take the time of the house or my own time to read it in full because there are a number of points I must make, but it drew attention to lay-offs in the steel plant at Sydney which had already taken place and more that were under way. There is no doubt whatsoever that in this field as well, incomes in the Atlantic provinces are certainly not going up; and if these lay-offs should reach any proportions then unfortunately incomes will go down.

The pulpwood figures have been drawn to the attention of the house on a good many occasions. We know that in the case of both pulpwood and newsprint, which are so important to the whole Atlantic seaboard of this country, incomes declined very substantially in the year 1958 over the year 1957.

But no hon. member would expect me to pay more attention, though I try to pay as much, to any other occupation than to the

plight of the fishermen. With respect to the fishery I certainly cannot indict the government in one regard, because I am not one of those who believe that even the confusion and indecision of the government are responsible for the fact that the codfish did not come to Newfoundland this past year. That was one of those of freaks of nature that we hope will not happen again. It was perhaps one of those misfortunes that sometimes coincide with Tory governments, but I certainly do not blame the government for it.

But, sir, what I do blame the government for very seriously is their failure to do anything about this situation. When the Minister of Labour was speaking the other day I asked him if I had not made a constructive suggestion about dealing with the plight of the fishermen on the east coast, which is certainly as bad as, if not worse than, that of the people of any other community in Canada at this time. The minister said that my suggestion had come too late. My suggestion was made on October 21, five days before the Prime Minister announced his municipal works program. If my suggestion on October 21, which in any case could not have been implemented until the first of December, was too late, what is the minister saying about the government's own winter works policy which was not announced until October 26? The minister convicts the government out of his own mouth, because the suggestion I made was a simple and practical one that could have been put into effect in 24 hours if the government had had a mind to do it, whereas the municipal works program required planning by municipalities after it was announced. Now, sir, whatever may be said about anything else the government may have done, there is nothing whatever to be said in defence of the lateness of that announcement.

Mr. Starr: If the hon. member will permit a question, I wonder whether the hon. member would tell the house what his suggestion was to give employment to the people of Canada.

Mr. Pickersgill: I am going to come to that at the end of my speech, and I hope that some of the suggestions I will make then will have more appeal to the minister than the suggestion I made for dealing with this very serious human problem that the government pretended to be dealing with for three months and then suddenly told us they were doing nothing whatever about.

Mr. Starr: I think the hon. member misunderstood my question.

Mr. Pickersgill: Perhaps I may have misunderstood the minister's question. If he would like to repeat it at the end of my speech I would be delighted to reply to it then. On August 16, when the minister's estimates were before the house, I asked the minister to delay the passing of one of the items until he could bring in a report on the winter work program. He refused. I asked the Minister of Public Works, who was leading the house that day, and he refused. Finally the Prime Minister came in to the house to rescue the Minister of Labour from his confusion, and the hon. member for Laurier asked the Prime Minister if they would not hold up this one item. Such a request when made to us when we were in office was always acceded to, but they turned it down three times. They denied it three times. Why? Because they had no program, and did not have any program until two months later. Then, when they did produce a program, what was it? It was to pass the buck to the municipalities without any notice, and on the eve of the Prime Minister's departure from the country.

I come back again to the suggestion I made to the Prime Minister which he transmitted to the Minister of Labour and the Minister of Fisheries (Mr. MacLean) on October 21. I am not going to outline what was in my letter. The hon. member for Grand Falls-White Bay-Labrador (Mr. Granger) put the text of that letter on *Hansard* the other day and that will suffice. But what I am going to do is quote three or four sentences from the statement the Prime Minister made in the house on August 30 last, when he came in and announced that $40 million was to be paid out of the treasury to the grain farmers of the west because there was a threatened crop failure in western Canada and because it was considered that grain prices and certain other factors made this desirable. As found on page 4345 of *Hansard* for August 30, 1958, the Prime Minister said:

> Our concept of a national policy is based on the belief that the national welfare demands positive action to meet the basic causes of distress and maladjustment in particular industries and regions.

He also said, as found on page 4348:

> What we are trying to do is establish a concept of national policy designed to ensure equality of opportunity for all Canadians . . . The immediate and long-term approach to the basic problems facing Canadian farmers is a recognition of the fact that the prosperity of Canada is indivisable and that a reasonably high and stable level of income in Canadian agriculture adds to the welfare of all Canadians.

It seems to me, sir, that if it is expedient, as this parliament agreed without dissent, to take $40 million out of the treasury in order to pay $200 to virtually every grain farmer in western Canada, it is surely equally incumbent upon any government which makes a profession such as the Prime Minister made

in that speech to do something for the fishermen, who through no fault of their own had a crop failure of such proportions that two-thirds of them, as the hon. member for Grand Falls-White Bay-Labrador pointed out, had not enough stamps to qualify for unemployment insurance and were obliged to go on relief this winter.

The government has not seen fit to do anything whatever about this situation. I know the Minister of Labour would like to get up and remind me of the community stages. I know that one of the other ministers would like to tell me something about the roads to resources program. Of course we are always told about this municipal aid program.

As soon as I heard about the community stages I gave the government full credit for it, as the Minister of Fisheries well knows. Unhappily, here again the decision was reached so late and winter came so early that it is going to be very difficult to get many, if any, of these works started in time to provide winter work. I know the Department of Public Works is doing its utmost to get work started, and I have no criticism on that score. What I do criticize is that this program could just as well have been decided on last July or August as at the stage it was done. If it had been decided on then the materials could have been available on the sites and work could have proceeded.

I have no criticism of the roads to resources program but I hope the minister of northern affairs, when he speaks, will tell us how rapidly this program has been proceeding in the Atlantic provinces and how much progress has been made, because it does seem there has been a good deal of delay. However, that is a very good program so far as it goes, but it does not even begin to take care of this emergency problem about which I am speaking now.

In so far as municipal aid is concerned, it is almost totally useless in Newfoundland because of the nature of the municipal structure there. There are not municipalities of the character and kind that can take advantage of this municipal aid program.

Mr. Starr: Will the hon. member permit me to say, sir, that we have made that program so flexible that where a province looks after the organized municipalities the public works department of that province can act as the contractor and we participate.

Mr. Pickersgill: Again, perhaps at some future time the minister would tell us how much it has been possible to accomplish under that provision. I have another point I should like to make in that connection. It is not merely that the fishermen have a serious problem in the Atlantic provinces, but there is also a very, very serious problem indeed of general unemployment in the Atlantic provinces. It is much more serious than it is in the other parts of Canada. As the minister knows, the volume of employment has been declining as between this year and last, the volume of unemployment has gone up and the ratio of unemployed to employed is, unhappily, higher in the Atlantic provinces than it is elsewhere in Canada.

Mr. Starr: For the information of the hon. gentleman—

Mr. Pickersgill: Perhaps the hon. gentleman would make his own speech on his own time.

Mr. Starr: There are 17,000 fewer in the Atlantic provinces.

Mr. Pickersgill: I know the minister is quoting the N.E.S. figures, which are the only ones he has for January. I know exactly what he is going to say. We know why the N.E.S. figures are away down in the eastern provinces. I shall tell the minister why. According to a clipping I have here from the Toronto *Telegram* the jobless figures do not jibe. No doubt the minister has read it, and it says that the officials are confused because from Ontario west the D.B.S. figures are lower than the N.E.S. figures and from Quebec east they are higher.

Mr. Starr: They have always been that way.

Mr. Pickersgill: I can tell the minister why, and there is no difficulty about telling him. So many people in the eastern provinces cannot qualify for unemployment insurance that they do not believe it is worth while registering. Any hon. member on this side of the house or the other side of the house from the Atlantic provinces knows that quite well.

Mr. Starr: The figure is only 1 per cent different from last year.

Mr. Pickersgill: I do not wish to engage in a battle of statistics with the minister because I know the minister would like, as I would like, to do something about the problem instead of arguing about statistics.

Mr. Starr: Well, do not mention them then.

Mr. Pickersgill: I do urge the minister, if he is anxious to do something, to accept the suggestion I made on October 21, a suggestion of nothing less than plain justice for the people engaged in the oldest industry in Canada. I suggest he reconsider that recommendation and either carry it out or adopt something better.

Mr. Starr: What was the suggestion?

Mr. Pickersgill: My suggestion was, as the minister knows quite well, that these fishermen who through no fault of their own do not have 15 stamps should be given enough stamps by the government to make 15, and that the cost of the insurance they would thereby earn should not be charged to the fund but charged direct to the government in the same way that the $40 million for the farmers was. If that is not simple justice and the obvious way to do it without upsetting the unemployment insurance scheme —well, if the minister can produce a better scheme, I would say at once it was better. However, he produces nothing. He just says no.

A moment ago the minister said that in provinces where the municipalities were not in a position to undertake the work themselves, provision had been made for allowing the provincial government to substitute itself for the municipalities. I am just going to make one point about that. In so far as Newfoundland is concerned, if the government had done what the legislature of Newfoundland unanimously asked them to do in a motion moved by the premier and seconded by the leader of the Conservative opposition in that assembly; if the government had paid the McNair award as every member of the opposition asked them to do last year, the provincial government would have been in a better position to cope with the problem than it is. We all know that today the premier of Newfoundland is seeing the Prime Minister.

Mr. Starr: Why did he not use part of the $9 million they got from this government last spring?

Mr. Pickersgill: The Prime Minister is meeting today with the premier of Newfoundland about this problem. I do not intend, sir, to say anything about it except to express the hope that the government will take early and favourable action on that request for the implementation of the constitution of Canada.

I should like, if I had the time, to go over the Atlantic charter that was produced by the Tory candidates at Moncton in May of 1957, and which I am sure is very much in the mind of the Minister of Veterans Affairs (Mr. Brooks). I should like to go over it point by point, and on some occasion during the session, if I can find the opportunity, I intend to do that. I am sure if I do not I can count on the hon. member for Restigouche-Madawaska reminding the government about it. I doubt if any other supporter of the government will do so. They want this Atlantic charter forgotten.

The situation is rather amusing, Mr. Speaker. The Tory party, like the United Nations, has its Atlantic charter and, like the United Nations, it has a bill of rights. If the bill of rights is as empty as the Tory Atlantic charter for the Atlantic provinces has proved to be, it will not contain much for anyone.

I told the Minister of Labour that before I concluded I would have a few constructive suggestions to make, and I have a few. On October 21 last year I made a constructive suggestion which the minister apparently comprehended so little that he asked me to repeat it today. I sincerely hope that the government will act either on that suggestion or on some alternative that will help all the fishermen in all the settlements. I can tell the minister this. Welcome as the community stage may be in Twillingate, a community stage in Twillingate is of no help whatever to the fishermen in Fogo. That is the kind of situation we have all around the coast. In my riding we have seven community stages for which I thank the government sincerely; that is, there are seven community stages for about 200 settlements. That is not an adequate means of dealing with this problem of human suffering; and human suffering is involved.

The second constructive suggestion I have to repeat to the government is that they should act promptly to implement the recommendations of the McNair report, and do better than that. The third thing, about which I made some inquiry of the Minister of Agriculture the other day, is that they should treat pulpwood producers in the same way as other farmers are treated in this country. It seems to me that if a floor under sugar beets is justified, a floor under pulpwood is equally justified.

Mr. Hamilton (Qu'Appelle): Have you not a provincial government down there?

Mr. Pickersgill: I do not think there would be any argument that the farmers producing pulpwood need help at least as much as those producing sugar beets.

Mr. Starr: What is the provincial government doing about the matter?

Mr. Pickersgill: Of course this suggestion would not apply so much in Newfoundland, as the hon. gentleman realizes, because in Newfoundland we do not have farmers to any extent and they do not produce much pulpwood. It is cut for the companies. This suggestion is therefore made in the interests of pulpwood farmers in Nova Scotia and New Brunswick. The minister had better ask the provincial governments themselves what they are doing.

Mr. Starr: The other provincial governments are doing their share.

Mr. Pickersgill: The minister can ask the Tory provincial governments of those two provinces if he wishes to do so.

Mr. Morris: Talk about Newfoundland.

Mr. Speaker: Order. I must ask hon. members to give the hon. gentleman who has the floor the opportunity to make his speech.

Mr. Pickersgill: I notice, Mr. Speaker, that the moment one on this side of the house attempts to make the kind of constructive suggestions the Minister of Labour asked for, there are constant interruptions.

The fourth suggestion I have to make is that the government should get ahead with the electricity program which was initiated by Mr. Harris and Mr. Lesage in the spring of 1957, and about which nothing has been done since this government has come into office. In addition, they should take such steps to change the legislation as are necessary to make it apply effectively to the province of Newfoundland, something which they refused and continued to refuse to do a year ago.

My final suggestion—and it is final, Mr. Speaker, because I notice that you, like I, are looking at the clock—is that the government should undertake at least 90 per cent of the cost of completing the trans-Canada highway in the four Atlantic provinces. I may say that is the part of the program of the Liberal party adopted at our convention, and we note that the Minister of Public Works is proposing to bring in legislation at this session respecting the trans-Canada highway. Because of the disparity in income, the lesser ability of the Atlantic provinces to pay their share of the cost of this road, and the urgent importance of effective transportation in those provinces, I believe this suggestion that 90 per cent of the cost of the trans-Canada highway in the Atlantic provinces be paid by the federal government, if adopted, would be a most constructive contribution not merely to the relief of unemployment but would provide an invaluable national asset to that part of Canada.

Hon. Leon Balcer (Solicitor General): Mr. Speaker, my first words will be words of congratulations to the mover of the address in reply to the speech from the throne, namely the distinguished hon. member for Provencher (Mr. Jorgenson). Despite his youth he has become one of the leaders of the farm community in Canada. He is an expert, and he has given us a most instructive and constructive speech dealing with farming problems in Canada, and I want to congratulate him.

(Translation):

Mr. Speaker, I should like also to congratulate the hon. member for Montmagny-L'Islet, (Mr. Fortin) who gave us a sample of the speaking ability which contributed to his victory in that historic constituency, previously represented by a former Liberal minister, the one whom the hon. member for Bonavista-Twillingate (Mr. Pickersgill) referred to as one of the greatest leaders that Quebec had known since the war. Unfortunately, we are still waiting for concrete evidence of the value of that former Liberal minister as leader of a political party, since he does not seem too eager to occupy a seat in the Quebec legislature.

(Text):

Mr. Speaker, I should like to congratulate the new hon. member for Springfield (Mr. Slogan) on his splendid victory. I should also like to congratulate the hon. member for Trinity (Mr. Hellyer). We are all glad to see him back in the house, and we wish him well. As to the hon. member for Grenville-Dundas (Mrs. Casselman), my congratulations go first of all to her electors who have been king enough to this House of Commons to send us such a charming colleague. All those who knew her distinguished late husband and all of us who know her father, the dean of this house, I am sure are extremely happy to see her in this chamber.

(Translation):

Mr. Speaker, ever since the beginning of this debate, our hon. friends opposite have been harping exclusively on unemployment, emergency cataclysm, economic depression and, with tears in their eyes, all gave vent to utterances of despair. Frankly, it sounded as if they were bewailing the decline of the Liberal party and the cataclysm which almost annihilated them on March 31 last, and the unemployment to which several of their former colleagues have been condemned as a consequence of the last general election. Mr. Speaker, we are all convinced that these airs of discouragement they are putting on, and the crocodile tears they are shedding are simply due to the fact that business is recovering so fast in Canada. It is a great disappointment to them that Canada is not bankrupt and that there are not a million or a million and a half unemployed in Canada; and if there were, we would hear them make happy speeches.

Mr. Chevrier: There are half a million of them.

Mr. Balcer: The discouragement that seems to grip them stems mainly from

the fact that the wheel has begun to turn, and that the tide of unemployment is now ebbing. Thus, Mr. Speaker, we saw that during the recent holiday season, retail sales throughout the country increased by 15 per cent over last year's figure. In fact, they were the highest ever recorded in this country's history.

That is a very good beginning, and it is certainly an indication that the recession is on the way out. As a matter of fact, Canadians, who are sensible people and have business sense, realized this fact and gave spectacular proof of it on March 31 last.

Mr. Speaker, when we were elected on June 10 last, the situation was certainly not too bright. When we were sworn in on June 10, we were immediately made aware of the economic situation of the Canadian nation. Prior to June 10, the former government had pictured the situation in rosy colours, had failed to reveal that its economic advisers were predicting a recession and a wave of unemployment. Rather than to lose votes in the June 10 election, the Liberal government preferred to maintain its tight money policy, a policy that was driving small manufacturers and small businessmen to bankruptcy. They preferred to hang on to this tight money policy, rather than to tell the people the truth.

At a time when taxes were gripping the Canadian economy as in a vise, the Liberal government preferred to continue its policy of taxing to the limit. At a time when the people faced all kinds of economic difficulties because there was not enough money in circulation, the government of our hon. friends opposite continued to put the squeeze, preferring to accumulate surpluses.

Mr. Speaker, after being sworn in on 21 June last, we were able to read the reports of government economists and to become acquainted with the information held in the department of my colleague, the hon. Minister of Labour (Mr. Starr). From that very moment, we knew that Canada was facing a recession, and that the winter of 1958-59 would be a period of severe unemployment.

Well, Mr. Speaker, under the leadership of the right hon. Prime Minister (Mr. Diefenbaker), we did not rest on our laurels. On the contrary, we faced the problem squarely, and took action where the urgency was greatest.

The first step was to revive the confidence of the Canadian people, because business had slowed down. Industrial construction had begun to slacken, and feelings of "recession", mainly of a psychological nature, were in evidence, as the people had lost confidence in the economic future of the country.

As I was saying, Mr. Speaker, the first task was to restore people's confidence and this we decided to do by circulating more money. It was a matter of putting money into the people's hands.

The situation was the more difficult as a similar recession was also beginning to make itself felt in the United States. Now we know that by and large the Canadian economy is geared to that of the United States. Well, without waiting to see what they would do, the government, under the present Prime Minister, took the lead and through various measures decided to put money into the hands of the public.

The first social measure which we tackled was that of old age security. Admittedly, this was relatively easy because, under the former government, old age pensions had remained so long at $40 a month that anyone who had at all considered the problem, could realize that the situation called for immediate improvement. That is why we raised those pensions from $46 to $55 a month, always in order to put a little money in the pockets of those Canadian citizens, to restore their self-respect and provide them with the bare minimum to face their obligations.

Later on, to relieve the economic squeeze crushing the people of Canada as a result of the former government's fiscal policy, we decided to cut taxes. We did cut them to the extent of $189 million, while the Liberals, barely a few months before, and in spite of the predictions made to them by their economists, preferred to keep on taxing to the utmost the Canadian people and thus accumulate surpluses.

Of course, at the previous session, the Liberal government had cut certain taxes, but always on some insignificant items, such as chewing gum.

Mr. Speaker, when we decided to cut taxes, we did so having in mind primarily low wage earners and large families. In this way we have made available to the public an amount of $189 million which was actually needed.

We also launched a vast construction program. As everybody knows, construction is one way to deal directly or indirectly, with recession and unemployment. Well, we gave Canada the strongest home building policy it ever had. We gave impetus to lagging construction. We made $750 million available to builders and breadwinners. We improved legislation to make it easier for home builders and owners to borrow and repay.

Well, let us take a look at the results of this splendid policy. In 1957, 122,340 dwelling units were started whereas in 1958, not in the full year, but only during the first eleven months, there were 155,036 starts; as to housing completions, there were 117,283 in 1957 but 133,217 in the first eleven months of 1958. This is an all-time record in the history of this country. Through these efforts, huge sums were put at the disposal of the Canadian people, so that now in January 1959, we are beginning to see a decrease of unemployment and we can look forward to an early solution to this problem.

And all along, Mr. Speaker, the Minister of Labour (Mr. Starr) was extending unemployment insurance benefits and was launching a winter works project. This campaign launched throughout Canada has already started to give results and everywhere, in spite of our harsh winters, like this year when the temperature is often below zero and people in all parts of Canada have put up with heavy storms, we see that in cities, large or small, construction is in full swing, people are improving the inside of their homes, putting in basements, or partitions, or new roofs, etc.

Well, as a result of a campaign sponsored by the Department of Labour, it was found that construction is no more expensive in winter, and perhaps less so than in summer. This is why builders and contractors have now decided to build during the winter, to the benefit of all concerned.

We took the necessary steps. First we upped security payments, we reduced taxes and finally we made several hundred million dollars available for construction, not to mention our public works program, the largest ever undertaken in this country. We went ahead with these measures before our neighbours to the south had made up their minds to do anything about them. Right after we had adopted these measures, the American press came up with similar proposals; but we were the ones who had taken the lead. Of course, in the meantime, our hon. friends opposite were saying that it was not enough, that our legislation was coming too late, that it was not adequate, and so on.

Well, the Prime Minister decided to ask the people what they thought about it. As we all know, whenever, in the past, a general election was held under the Liberal administration, it was always held at the most favourable time of the year, when either the crops, employment or trade were at high levels. In the past, an election was always called either in June or in August, always at a time when, according to past experience, unemployment was at its lowest level or the harvest in full swing.

Well, when faced with the criticism of our hon. friends opposite, the Prime Minister of Canada did not wait for the best time of the year as regards employment—he could have waited till June, July or even August, because, as we recall, during the winter session of 1958, the Liberals were not particularly anxious to face the people once again. After planning all the program I have outlined earlier, our Prime Minister decided to face the nation again and to ask the people whether they accepted our party, which had fulfilled its promises. Furthermore, he asked the population to support the great program that had been launched on June 21. That is why he made his decision right in the middle of winter, when seasonal unemployment was at its peak and just when Canada was experiencing a wave of unemployment such as it had never seen before. Well, the people showed its confidence in the government and the government has not failed them.

The government carried on its work. It has always endeavoured to restore confidence among the people. That is why at the present time our foreign trade, just like our domestic and retail trade are reaching an all-time high so that we can look forward to increased prosperity in the coming months.

The construction program is going ahead, and, as mentioned in the speech from the throne, it is the intention of the government to speed up this program by making additional hundreds of millions available to the public, to provide jobs for the people of Canada.

And since we are on the subject of housing, I believe the people of Canada are confident that under the present government, this upsurge in house building will continue. Besides, economists agree on that necessity, since, as we know, children born in the early war years—and, at that time, Canada had the highest birth rate in its history—will, in the course of the next three, four, five or six years, reach the age when they will want to settle down. They will require houses and so, we can expect this gigantic building effort in Canada to extend into the next five or ten years. Another encouraging feature, Mr. Speaker, is the fact that not only is house building on the increase but industrial building also, which, as we know

had so significantly decreased, to the detriment of our economy, that this decrease can be considered as one of the great factors of this recession.

Well, we are happy to note, right now, in this very month of January, that in 1959, industrial building in Canada will expand as never before.

Let us take a look, for instance, at the picture in my own province of Quebec. In a single area of the province, the British Aluminum Company will spend $175 million the Quebec North Shore will spend $100 million while the Cartier Mining will spend $250 million and the Quebec Hydro $42 million. In addition, grain elevators, to be built in Baie Comeau, will involve an expenditure of $18 million. And, Mr. Speaker, this applies to only one area of the province, the newest, the Ungava area. This industrial construction is no doubt a harbinger of a well-balanced prosperity in this country.

Mr. Chevrier: Would the hon. minister allow me a question, at this point?

Mr. Balcer: Certainly.

Mr. Chevrier: How is it then that, in spite of all that industrial construction, unemployment is more widespread in the province of Quebec than in any other province, except the maritimes?

Mr. Balcer: This industrial construction is just starting out. For instance, the Cartier Mining contract has just been awarded and the Quebec Hydro works on the Manicagouan river have barely started. We are just on the threshold of this amazing development in this area of the province. Soon, two other railroads will be built alongside the line connecting Seven Islands and Schefferville. May I, incidentally, express the hope that the pleas of the hon. members for Charlevoix and Saguenay (Messrs. Asselin and LaRue) for the building of a railway between Murray Bay and Seven Islands by the Canadian National will soon be successful, so that this industrial empire may finally be connected with the rest of the country.

Well, Mr. Speaker, this industrial progress I was mentioning a moment ago, in one area of the province of Quebec, will no doubt benefit all the rest of the province. In fact, I am happy to note that in the constituency of Three Rivers, for instance, my own riding, the Canadian Iron Foundries will develop in a remarkable way during 1959. These people are planning a huge extension of their plant in Three Rivers. In addition, Mack Brothers will now be making trucks at Three Rivers, while the federal government is planning to build an airport there, and a technological institute is to be constructed by the provincial government at a cost of $3 million. Across the river, the Reynolds Aluminum Company plans to spend close to $4 million on an extension to its superb plant at Cap de la Madeleine.

Those, Mr. Speaker, are examples of the industrial upswing which is in evidence and which is anticipated in the spring of 1959. That is why I say that our hon. friends opposite have no reason to display such gloom, to worry as they do, because evidence of bright outlook can be seen throughout the country.

We also plan to expand the help being given to both home and industrial construction, and we propose to continue bringing before the house legislation which will be of greatest possible benefit to the Canadian people.

I am convinced that under the leadership of the right hon. Prime Minister, Canada faces an era of prosperity such as it has never known in all its history.

Mr. Chevrier: Would the hon. minister allow me a question, before he resumes his chair? Since he chose to omit all reference to the dispute taking place in his own province, I would ask him why the government does not intervene in this dispute which is causing such damage—

Some hon. Members: Order.

Mr. Chevrier: —to the C.B.C. French network?

Mr. Balcer: As I was saying only two or three days ago, Mr. Speaker, this is of course a very sad problem, which we earnestly hope will be settled soon. It is, however, a problem which concerns the management and employees of the C.B.C. Therefore, personally, I do not intend—

An hon. Member: To defend—

Mr. Balcer: —to become involved in this problem any further at this time. I am convinced that the management of the C.B.C., the union members and the producers can certainly reach an agreement

without any intervention on the part of the Minister of Labour, or of myself, or of other members of the cabinet. Furthermore, the latest reports show great improvement in the situation. I am confident, therefore, that common sense will prevail and that the people of the province of Quebec will soon be able to enjoy the programs they deserve.

Mr. Chevrier: Does the hon. minister believe the strike to be illegal, as stated by the Minister of National Revenue?

Mr. Dorion: May I be allowed—

Mr. Chevrier: I have put a question to the hon. minister, and I am entitled to an answer.

Mr. Balcer: I do not believe that the strike is illegal.

Mr. Armand Dumas (Villeneuve): Mr. Speaker, I am glad to take part in this debate, and if I have to criticize the government as it deserves I intend that my remarks shall be as constructive as possible.

I should like first to pay tribute to you, Mr. Speaker, and tell you how we appreciate the manner in which you preside over the proceedings of this house. I should like also to convey our gratitude to the Deputy Speaker of this house (Mr. Sévigny). We congratulate him on his sense of justice and his kindness to the hon. members when he occupies the chair in your absence.

We are glad, also, to see that the hon. member for Spadina (Mr. Rea) has been re-elected as deputy chairman of committees of the whole; we want to give him the assurance that we will always gladly co-operate with him.

Mr. Speaker, I want to join all those who spoke before me to offer my sincere congratulations to the movers of the address in reply to the speech from the throne (Messrs. Jorgenson and Fortin).

The hon. member for Provencher has launched the debate very well, and the member for Montmagny-L'Islet has amazed us by his maiden speech here. His friends from Quebec should note his stand and try to imitate him on many of the points he mentioned which are, in brief, the fundamentals of the Liberal policy in this house and in the whole country.

Last Monday, the Leader of the Opposition (Mr. Pearson) made a remarkable speech. According to press comments and public reaction, we see that he was quite right when he said that the government had shown almost a kind of genius in straying from the straight line to plunge into confusion, contradiction and wavering instability. The Leader of the Opposition was quite right also to say, last Monday, that the speech from the throne was more understandable for what it leaves out than for what it contains.

In my opinion, it is no exaggeration to say that the government, in outlining its legislative program for this session, has failed woefully by leaving out, and disregarding the three problems it was supposed to look into and which are of greatest concern to the Canadian people; unemployment, inflation, national defence, more particularly, air defence. Mr. Speaker, I shall not dwell on the latter subject. Our leader talked about it with authority. He stated the position of our party when he said that it is essential that we should be informed of all the aspects of the problem, either by parliamentary committee or by a sub-committee on estimates.

The Leader of the Opposition was right when he said last Monday that we have come to the crossroads in the field of defence and that, if we want to find a solution, we must give to this problem the best and most exhaustive consideration, since it is a matter of vital importance to the people of Canada.

Mr. Speaker, we now face the problem of inflation and it is the responsibility of the government to take the necessary steps to stop the depreciation of our dollar, the rising cost of living and rising prices in all fields. Once again, the Leader of the Opposition had reason to criticize the government's failure to take action. We find nothing or, at least, very little, in the speech from the throne that could lead us to believe that the government intends to take the necessary and vigorous measures that will stop inflation. Inflation is detrimental to everybody. It is the main handicap to our country's economic development.

Increased costs of production are just about the most challenging problem at the present time, since Canadian producers are hardly able to meet foreign competition on world markets, indeed on the domestic market.

Of course, the responsibility for this does not lie at the door of the central government only. Provincial governments will also have

to reduce their expenditures, private enterprise will have to co-operate to a larger extent and all Canadians will have to do their share in helping to step up production. Even though this problem is not the sole responsibility of the federal government, it remains with them to take the lead and to implement the measures which are imperative.

At the annual general meeting of the Banque Canadienne Nationale, the president, Mr. St. Pierre, said at the end of his remarks on price inflation:

> It is therefore imperative to resort forthwith to all possible means to control the erosion of currency which is threatening the welfare of our people and the future of Canada. It is the duty of the government to insure monetary stability through an adequate policy, and the first step in that direction is the elimination of the budgetary deficit.

Mr. Speaker, I now come to a problem which, in my opinion, is the most serious one at the present time, a problem which the Canadian people must face and which, in the words of His Eminence Cardinal Leger, is having many far-reaching consequences, and which the government must strive to solve: unemployment. It came to me as a surprise, Mr. Speaker, that the government hardly mentioned it in the speech from the throne. What is still more astonishing, is the fact that when a member on this side of the house deals with the problem, our hon. friends opposite get angry, charge us with spreading fear in the hearts of the Canadian people and with being uncooperative. They even go so far as to say that even though they have been responsible for managing the affairs of Canada for the past 18 months, the remarkable thing is that it behooves us, the opposition, to find the required solutions and to hand those solutions and suggestions over to them on a silver tray.

Mr. Speaker, there has been unemployment in the past and there will probably be some in the future. In the past, however, when there was unemployment, members who were then in the opposition did not fail to level harsh criticism at the government whose responsibility it was to remedy the situation. Now the shoe is on the other foot, with this difference that, during the years we were in power, we took all steps called for by existing conditions. As far as I am concerned, our honourable friends' tantrums leave me cold; moreover I am going to say that I quite intend to keep pleading in favour of my distressed fellow citizens.

Some areas of Canada are more affected than others, nevertheless unemployment today is too widespread.

For example in my constituency there are too many workers who are out of a job. And what is more serious is the fact that in my riding as well as elsewhere, workers who have run out of regular and seasonal benefits find themselves in an unbearable predicament. In addition, those who get a temporary job but who will not be in a position to keep that job long enough to be entitled to benefits are in the same boat, and it is then that the situation becomes serious.

Mr. Speaker, there are people now who do not receive either regular or seasonal benefits and who live in small communities or in cities where other problems have come up.

For instance in my riding the people of two cities are hard-pressed because of the closing of industries which were operating there some time ago. Therefore civic authorities are quite unable to look after the unemployed who do not receive regular or seasonal benefits and who need something to live on. Of course, this matter comes under provincial jurisdiction, I grant you. It may be that provincial authorities were remiss in their duty, but in cases like these, additional provision should be made to help out those people who have families to support.

Mr. Speaker, it is not my intention again to put all the blame on the government for the emergency which has been lasting for some time now. It would not be fair either to suggest that the government must bear the full responsibility for the recession which is felt with more or less intensity here as elsewhere. However, we are justified in criticizing the government policy. Unless evidence is forthcoming that constructive measures will be taken to remedy unemployment or to help those who have not the wherewithal to meet the needs of their families, we shall keep pressing the government and insist that steps be taken as soon as possible.

The Minister of Labour (Mr. Starr), in the course of this debate made a review of the measures taken by his government since June 10, 1957, and which were meant to promote employment and help the unemployed. At the time of that discussion, he showed great displeasure with the opposition's criticism. He does not appreciate the opposition pointing out the government's weak points.

Well, Mr. Speaker, we criticize the government in the first place because of the exaggerated promises it made to obtain the popular vote. We also criticize it for having been so slow to take action once it had obtained power; we find fault with the government because most of the measures it did take have proven inadequate. We have protested, we are still protesting and we will go on protesting, against the weakness with which the government has tackled the job in hand, which was to create economic conditions conducive to higher employment throughout Canada.

You will recall that there was reference to great public works. We were given to understand that if the Conservative party came into power, a new public works program would be launched, whereas, in fact, the famous billion dollar program was merely the continuation and completion of projects undertaken by the former government, and we are still waiting for the government to announce that those major works will be undertaken in conjunction with the provinces and private industry. There was also a reference to a large scale plan to settle the far north, although the government must have known that, for the time being at least, such an undertaking was impracticable. That the government should pursue the air-mapping work already started in the north, finish the aerial photography work in that area; do topographical, geological and other surveys of the more accessible areas; that the Department of Northern Affairs and National Resources should set up a development program for the future, well and good. We agree and have no objection whatever. But to claim that to speed up the country's development, we will have to leave unexplored and, of course, undeveloped thousands of square miles located more to the south, and go into an area where transportation is difficult, water power lacking and where for many reasons it will be extremely difficult to attract the necessary labour, that, Mr. Speaker, is quite another matter.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Dumas: Mr. Speaker, at one o'clock, when the debate was adjourned, I was saying that the development program in northern Canada, as understood by the government, is not practical, at least for the time being; that it is a program which cannot, for instance, promote the nation's economy, and provide more jobs. For that reason, I said that, there again, the population has been somewhat misled. I said also that we would favour the idea of the government undertaking research projects of all kinds and preparing a program for the future, and that we are fully of the opinion that the Canadian north can be developed later, on a large scale.

That is why I say that, for the moment, if we wish to spur the country's economy, provide jobs, promote fuller development of our known natural resources which are located in easily accessible places, the government should turn its attention farther south, to easily accessible districts, such as the southern Yukon and the Northwest Territories, the northern areas of the western provinces, northern Ontario, Quebec and Newfoundland, since there is there ample space where the Department of Northern Affairs and National Resources could, by itself or in co-operation with the provinces, according as to whether the territories or the provinces are concerned, carry on their work.

This brings me to suggest another government project, that is the construction of access roads to put within easy reach the natural resources located more to the south, a project which naturally should be implemented in co-operation with the provinces.

In my opinion, such a project is in keeping with plain common sense; it is applicable, and if it were carried on with vigour, it could prove a practical way of providing more jobs and of spurring the economy throughout the country.

However, this access roads construction program has remained in abeyance, Mr. Speaker, because of the government's failure to call, as it should have done, a conference of parties interested in such a project.

It is true that there has been correspondence with the provincial authorities concerned. It is also true that last week it was announced in the press that possibly within a month, the province of Ontario will be signing an agreement with the federal government. However, as this method of communicating by letter with the provinces is much too slow and quite ineffective, and since it is important that at least a majority of the provinces agree to such a plan,

the government should have used other methods.

However, there is still time to correct the situation, and as the saying goes, better late than never. The government should first revise its plan so as to make it more flexible and less costly for the provinces. Then a conference of the provincial and federal ministers concerned should be called as soon as possible, and at such a conference the ministers might lay the foundations of such a plan and decide how to go ahead with it.

I should like to mention to the house, as an illustration, a development project which is just being started in our area, more specifically at lake Matagami, in the constituency of my good friend the hon. member for Chapleau (Mr. Martel).

Hardly more than a year ago, about one hundred miles north of the cities of Amos and Senneterre, a group of syndicated mining firms discovered a rich deposit of base metals, a few miles south of the great Matagami lake. The proven ore content of this deposit has since been established at 25 million tons, with a total value of over $600 million. Needless to say that immediately after this discovery, large numbers of mining firms invaded this area, with the result that there have been three other discoveries, also very substantial, of base metal deposits of still undetermined value.

The area can be reached only by air. Development, therefore is slow, difficult, and above all very costly. Fortunately, last fall, the firms involved reached an agreement with the provincial government, and the government is now building a winter road fifty miles long. There remains a distance of about 23 miles to be built by the mining firms. In a few days, Mr. Speaker, this road will be open to traffic.

This low-cost winter road will make it possible to develop an area where there is a great wealth in base metals. Of course, soon we will have to build a permanent hard-surfaced road and a railway branch line about 50 miles long that will be linked to the C.N.R. line between Senneterre and Lake St. John, via the Chibougamau region.

Incidentally, I want to remind the house that this latter railroad was built under the former government. It must be realized that the lake Matagami ore will provide much freight to this C.N.R. branch line and that, in the near future, it will become one of the most profitable branch lines in Canada.

Everybody knows that in a few years, and I repeat, in a few years only, in no more than a decade, there will be a well organized population of more than 10,000 people in the Matagami area.

There is fertile land up there and, if the provincial government would take the trouble to do so, in a few years, it could surely settle 200 or 300 or even more farmers who could benefit from the proximity and development of this new industrial centre.

That is not all. This development, perhaps modest at the beginning, is bound to thrive, and I predict that in a few years, there will be many base metals mines in the Matagami area. It is one of the most promising mining areas of the province of Quebec and, perhaps, of the whole of Canada. Curiously enough, the soil of this region is also very rich. Because outcrops are few, prospecting is rather difficult. The overburden varies in thickness from a few feet to more than 300 feet.

So, it is not surprising that many people are inclined to say that this mining area should have been discovered long ago. Well, it is precisely because outcrops are few, and the overburden varies in depth from a few feet up to 300 feet, that these mineral deposits could not be discovered earlier. We had to use modern methods and to make geophysical, magnetic and electromagnetic surveys to locate these deposits and, today, we have to make expensive diamond borings to confirm the findings of these geophysical and electromagnetic surveys and to prove that there are really mineral deposits there.

Because of the richness of the soil in that area, Father Henri Cloutier predicted, as reported in an article entitled *The Kingdom of Matagami,* published in *Relations* of March 1947, the expansion that would take place some day in the Matagami lake district:

> The Matagami lake basin, with its vast forests, waterways and lakes, is the greatest untapped reservoir of arable land remaining in Quebec; in other words, it is the only significant area available to us for the launching of a great and progressive enterprise. Suppose you are told to settle, in the shortest possible time and at the lowest cost, from 100,000 to 200,000 young people and families, overflow of old parishes—

One could say that they are now unemployed.

—suppose you are also asked to provide for the prosperity of the 50,000 settlers who are now in Abitibi. The proposal is ambitious but reasonable, and it is imperative.

And then, Father Cloutier goes on to explain that all these people should be directed toward the Matagami lake district. A little farther down, he writes:

Is the present Abitibi an obstacle barring the real route to the north? Or is it a springboard from where we should start occupying the real important district, i.e. the kingdom of Matagami, and set up the capital, which cannot be set up elsewhere, since nature decided so?

Well, Mr. Speaker, this article clearly shows, in a few words, the importance of the Matagami lake district.

Here is an area where it would be possible to settle hundreds of thousands of people. The mere construction of a railroad will make it possible to develop rich ore deposits which, when mines go into operation at some future date, will provide employment for thousands of workers.

Why can't the federal government reach an agreement with the government of the province of Quebec for the construction, in the Matagami area, of a whole network of winter roads to make prospecting easier and less costly, and to speed up research in the entire area? Last year, a few hundred men found employment in the Matagami area. Yet, as I mentioned a moment ago, the only means of transport was by air. Knowing the cost of such transportation, and the difficulty of moving large groups of men by air, we find that now that there is a road, a winter road, more workers will be able to enter the area. Moreover, if a road-building program such as I have mentioned were rapidly carried out, I am sure that before 1960 over a thousand workers could find jobs in the Matagami area.

Why couldn't the federal government also do the same in the accessible parts of the Yukon, in the Northwest Territories, and the northern areas of the western provinces and Ontario, and in other parts of the province of Quebec, as well as in Labrador, in Newfoundland and in the maritimes?

Mr. Speaker, this program makes sense, but the federal government must show more daring. The government must convince the provinces that current unemployment has to be checked, and that this is one way to do it. There are many other ways of checking unemployment. Perhaps it cannot be stopped completely, but surely there are means of improving the situation.

I recognize that a program such as I have described will not provide employment for hundreds of thousands of workers, but if this were done throughout the country—and there is no reason for not doing it—in the Yukon, for instance, in the Northwest Territories, in the southern part of those territories, in the Peace River district, in northern Manitoba, where the International Nickel Company is operating a nickel mine of unprecedented capacity, at Mohawk and Thompson lakes, —and there are indeed other lands or parts of land that may hold very rich mineral deposits; if all would co-operate and if the federal government would call a conference here, in Ottawa, of provincial ministers of mines and colonization—I mention provincial ministers of colonization because this is very important, particularly in the region like that of Matagami, where, for instance, the land is fertile—if we could have, side by side, the mining industry, the lumbering industry, and agriculture, we could be sure to make good. We would make good because those who would settle as farmers in this area could, in their spare time, find employment in the industry, because they would live close to large centres.

As I said earlier, in a few years we would have in the Matagami area, a community of some 10,000 people. Well, it means something to have such a large community. It is large enough to help 200 to 300 farmers to make a living. So, we should make a careful study of the situation and revise the methods used to this day, particularly in the field of colonization.

You cannot expect today to go up to a man and say: "You are going to settle in range so-and-so of such-and-such township; then, you will build your own log camp and you will clear the first acres". You can't do that. The government has the responsibility, today, of finding places in which to settle new farmers. The government should clear the first acres, build comfortable houses, where these people could live with a certain degree of satisfaction. Then, it would be much easier to sell them those lands at $5,000, $8,000 or $10,000, if necessary, on easy terms, than to give them the lands, in the form of tenancy tickets, at the low price of $10 or $15. Then many people would settle out

there, farm that land and make this particular region grow. This could be done everywhere in Canada.

Mr. Speaker, the government should think things over and make arrangements so that we might start first by speeding up the development of easy-to-reach regions, where there are adequate natural resources for many years to come.

(Text):

Mr. W. F. Matthews (Nanaimo): Mr. Speaker, in rising to take part in this debate I wish first to congratulate the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne. Second, your fine record as Speaker of this house has pleased everyone. As we all know, you bring honour to this parliament. I also wish to join with other hon. members in congratulating the Deputy Speaker and the deputy chairman. The hon. member for Spadina (Mr. Rea) has been a great help to me since I came to Ottawa, and I wish to thank him very much.

The House of Commons, I have been told, is big league, and it did not take long to establish who are the big leaguers. Your fame, Mr. Speaker, was known to me before I left the coast and now, having seen you work, I know why you have the admiration and respect of all parties. Before coming to Ottawa I thought of the House of Commons as being two rows of trenches separated by a no man's land. I admire your courage, Mr. Speaker, sitting as you do between the rows. I was of the opinion that a member never crossed this no man's land except to join another party. You can well imagine my amazement when I noticed members of the opposition going across from time to time and talking to the various ministers. However, that was last session; this session I have not seen it happen. There has certainly been a change somewhere along the line.

This being my first speech in the House of Commons I feel very much as I did when I first went solo in an aircraft, the difference being that now at least I shall not be hurt. The kindness of members of the House of Commons to a member making his first speech is traditional and, as in the case of the aircraft, if I keep my nose out of the dirt I will come to no harm.

I wish now to pay tribute to two former members of this house who have passed away. I speak first of William Val Yacula. In the short time I knew him I became aware of his many qualities, and I am confident that had he continued he would have contributed greatly to the welfare of Canada as an elected member of the House of Commons. He was a very friendly man, and I am pleased to say that in the very short time I knew him I was able to call him Val.

It was my good fortune last session to share an office with the late Edward Russell Lockyer. Ed Lockyer was the type of man who should be elected to parliament. In Toronto he gave as much of his life as he could to the service of that city, being always active in performing such services as were for the advancement and betterment of his fellow Canadians. We can well understand why Ed was elected and, if he so wishes, I know he will be elected to the grand lodge above.

As hon. members know, I represent the constituency of Nanaimo, which is that central part of Vancouver island extending from Englishman river on the north to Cobble Hill on the south, including the beautiful gulf islands. As a candidate it is necessary that you become a salesman or, better still, a super salesman, and your first selling job is to sell yourself to the people of your constituency. Then, after you are elected you come to Ottawa and sell your constituency to your fellow members of parliament. I could do a real selling job among my colleagues in this chamber if it were possible to take them all by jet aircraft to beautiful Nanaimo and the islands. It would take about six hours to make the flight to Nanaimo.

Nanaimo is known as the gateway to Vancouver island, and all roads lead to this gateway. There are 21 ferry sailings daily to and from Nanaimo by the finest ferry ships in the world. In 1957 the ferry boats carried 1,710,934 passenger cars and 201,383 freight cars from Vancouver to Nanaimo, and in the same year 61,000 tourists registered at the chamber of commerce. Seven hundred and twenty-three foreign vessels and 3,471 coastal ships cleared Nanaimo in the same year.

It was very interesting during the recess to have the Minister of Fisheries in Nanaimo and to have the pleasure of spending a day with him looking over the wonderful biological station there. If any hon. member should have a mind to travel and see something of interest I would suggest that he visit this marvellous station. They have a model

there of Hecate strait. This is an exact model. The tides go in and out, and it all happens at the same hours as the tides in Hecate strait itself.

Anglo Canadian Timber Products operate a sizeable industry in Nanaimo and of course, as hon. members all know, MacMillan and Bloedel Ltd. have a tremendously big pulp mill there. Sometimes between 400 and 500 big fishing boats are in the harbour, and that sight in itself is certainly well worth seeing. We have two branches of the legion there, Canadian Legion No. 10 and Canadian Legion No. 256. I just mention these two facts in order to give hon. members some idea of the variety of industries and interests we have represented.

As to sports in Nanaimo, we have a famous team there which won quite a number of hockey championships, and it was two years ago in the Maple Leaf gardens that a Nanaimo team won the Mann cup for Canadian senior lacrosse. This is the first time the Mann cup has ever been won in the east by a western team though, to be honest about it, I must add that we did bring some very fine boys from the province of Ontario who like Nanaimo so well that they are living there, have their families there and intend to stay.

At this point I might mention that sport, to me, is a very important thing. I was pleased to hear recently that the John Labatt company under Mr. J. W. Murray are sponsoring that lacrosse team this year. If any big company in Canada wants to do a real service I would say that the sponsoring of good hockey teams, baseball teams and lacrosse teams is one of the finest forms of advertising and one of the best things they could do as Canadian firms.

We have a very nice ice rink in Nanaimo, and we have a curling rink, too. Anyone interested in curling should remember that we have eight rinks on Vancouver island and, as I said, we have one in Nanaimo. The fishing there is tremendous. I will not dwell on this, but I recommend anyone here to go out and try some of our fishing when the session is over.

I must thank the hon. member for Hastings South (Mr. Grills), who invited us to go over to the Hull arena yesterday to see the Belleville Macs play against the Hull senior team. It was very enjoyable, and I might mention that the coach of this Belleville team comes from New Westminster. Going back some years to the period when I had first a juvenile team and then a junior team, I can remember that he was always a thorn in the side of our club at that time. I should like to wish Ike Hildebrand of the Macs team every luck in the world championship games.

Continuing this tour of my constituency, from Nanaimo I should like to take hon. members out by bus, if it were possible, on a tour of this beautiful country. They would call at the city of Ladysmith. I wish they could go from there into the logging camps and see the actual logging conditions, the tremendous diameters they take out, trees which are the finest and largest in the world. I might remark at this time that in my constituency they brought out a 225-foot Douglas fir spar tree, about five feet at the butt, as I remember. That was sent over to England, and hon. members can imagine that tremendous 16-ton spar tree going over to England. I would be very happy if we had one on the lawn in front of this building. They also have Canadian Legion No. 171 and the Comox Logging and Railway Company.

Leaving Ladysmith we would then go up to Cowichan lake and Honeymoon bay. Here you would find large scale logging operations and sawmills that would amaze you. If you were driving through here in the summer and had a fishing rod in your car you probably could not resist the temptation to do a little fishing, because it is a sportsman's paradise. At Cowichan lake there is Canadian Legion No. 210. At Honeymoon bay is situated the Western Forest Industries Limited and the Cowichan Copper Company. The latter produced ore amounting to $1,200,000 in 1958. There is also the Mayo Lumber Company at Honeymoon bay.

Leaving this area we would then go down to the beautiful city of Duncan, that will delight and interest all hon. members. I am sure you would find you would want to spend at least a day here examining the many historic points of interest. There is an Indian reservation nearby, and the famous Cowichan Indian sweaters come from here. There is a curling rink and a progressive chamber of commerce which does a splendid job. Hillcrest Lumber Company is situated here, and there is Canadian Legion No. 53.

Leaving Duncan we cut back to Crofton and go through the new and up to date pulp mill that was recently opened there by British Columbia Forest Products Limited, and then go on to Chemainus to inspect the large lumber mill and watch the workers cut Douglas fir and load cargo freighters with British Columbia lumber for all parts of the world. MacMillan and Bloedel Limited is also located there, and there is Canadian Legion No. 191.

We now come to a most exciting point in our tour, because we now return to Nanaimo where we board a power boat and take a cruise through the beautiful gulf islands. I am sure hon. members would enjoy the thrill provided by passing through Dodd narrows where the tide runs at from ten to twelve knots. In a small craft this makes the journey an exciting one. The international cruiser race is held practically every year commencing at Seattle and concluding at Nanaimo. There can be as many as 125 cruisers in the race, and many may reach the narrows at approximately the same time. It is very exciting to watch the small boats bobbing in the water like corks, almost brushing one another as they speed ahead. Few can resist the excitement the race provides.

As we continue our tour, Gabriola island will be on our left. This area was first settled by people who came from California and from England years ago. They are a fine and happy people. We then pass on to Galiano island and cross over to Mayne island, where we spend a few hours. Reluctantly we leave these pleasure spots and proceed to Saturna island for another interesting event, the annual lamb barbecue. A few years ago a small group of perhaps 25 people from cruisers that had come up from the United States and British Columbia met and held a lamb barbecue. It is now an annual event and the attendance has increased considerably. Games and various other activities are now associated with the barbecue, and it is a source of pleasure to many tourists. There is excellent fishing, and some fine summer resorts are located on the islands.

From Saturna we proceed to north and south Pender islands before docking at Ganges harbour, which is on the south end of Saltspring island. I had the pleasure of attending the opening of the modern hospital at Ganges harbour, and it is indeed a wonderful building. We then go to Bedwell harbour where commencing this summer a customs and excise office will be situated. Pleasure boats coming up from the United States will be able to dock there before cruising on. There are many fine things to see in this area including hotels, golf courses and ferries. I might add that as many as 800 or 900 pleasure boats pass through Nanaimo every year coming from various parts of the United States. The people of Ganges harbour are active and progressive. They have a branch of the Canadian Legion and a chamber of commerce. They do not hesitate to write me about their problems, and all hon. members appreciate it when their constituents acquaint them with their difficulties rather than allowing them to become the cause of unrest.

It will be difficult to get you to leave any of these island beauty spots, but we must be on our way back and I know that all hon. gentlemen will want to return to Nanaimo and the island. And now permit me to tell you something about the people who live in this riding.

We have there our pioneers who helped build our country. We have war veterans who fought for our country. We also have young Canadians who are eager to build a better Canada. We also have a large number of industries, including our commercial fishing, our many logging camps and sawmills and at the present time two large pulp mills. We have loggers who can handle the largest timber and log the steepest grades of any loggers in the world. If I wanted practical advice on commercial fishing, logging, lumber milling, road building or power development, I could get it from men who not only know how to do it but who can do it. I have had a flow of letters from the people in my constituency demanding a humane method for the slaughter of animals. I assure them that this matter is of great concern to me and I will do all I can to support their appeal.

I should like to compliment the hon. member for Victoria for his stand with respect to the right of old age pensioners to receive their pension even after leaving Canada, and I will support this position. When a pension of any form is given it should be an earned pension. Canadian pensions given in the form of old age pensions or pensions to members of the civil service, the Royal Canadian Mounted Police and the armed services are well earned pensions. All these people are shareholders in the building of Canada and are entitled to draw their dividends when they retire.

In the building of Canada a number of machines have come into being from time to time to assist in this work. As a boy I can remember the stone boats used on the farms. These were used to clear rocks from the land so it could be tilled and cultivated. It was a most useful article. There was also a machine called a fertilizer spreader and, of course, there was a seed spreader, probably created by Massey-Harris, and these too were useful inventions. When I walked up to the House of Commons just a week ago I saw a new machine on the street, a truck belonging to the public works department of the city of Ottawa. It had a chain drive from the rear wheel hub which when thrown into gear spread sand on the streets. It had a sign on the back that read "sand spreader". But I was to see another new machine that same day. It was a machine put out by a desperate group of left-overs, a new Liberal machine called a "gloom spreader". This machine,

so far as thinking Canadians are concerned, is about as effective in this day and age as the Wright brothers' first aircraft would be on a trip to the moon.

If we read back in history we find that all dictators in their attempts to conquer have used fear as their weapon. They used fear not only on the armies they were fighting but they carried as much fear and terror as they could to the civilian population. Even women and children were exposed to as much of this fear as could be directed their way. Any political party that attempts to take over and control Canada, using fear as a weapon, will only destroy itself. Fear has always been used as a weapon to kill faith. A party that destroys the faith of its own people also kills the faith of other countries, and that goes a long way toward causing a depression.

At this point I wish to congratulate the Prime Minister for having visited so many countries on his tour. Other countries with which we trade and that wish to trade with us are watching and looking for good reasons to have faith in Canada. It is our duty and purpose to supply them with reasons for having faith in our great country.

It took no great vision, no great courage, for us to make this six-hour trip to Nanaimo; but when we think of the pioneers who came by ship, taking months to make the trip, when we think of the hardy people who came from eastern Canada across the country by wagon train or later by railway, with no hospitals, no unemployment insurance, nothing but their great faith, their courage and their desire to build a new Canada, I wonder how any of us can be uncertain about the future of Canada. In the descendants of those pioneer builders of our nation we still have men and women of faith, courage and ability; we still have a country second to none in national resources. All that the people have been waiting for is a government with vision and faith, and we all agree that on March 31, 1957, the voters of Canada supplied just that.

It should be the purpose of this government to get on with the job. Our pioneers, the builders of Canada, our senior citizens and our war veterans should receive more than just enough to live on. We know that the wage earners of Canada want these old people to have a good standard of living, and I will always work to achieve this end.

No doubt, Mr. Speaker, it is very much of an ordeal for hon. members of the opposition to sit in this parliament, but to them I say "Be of good cheer". When you are old you will look back to these days and will be able proudly to say, "I sat in parliament when Canada's greatest development took place under the leadership of Prime Minister John Diefenbaker and the Progressive Conservative banner."

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to speak in support of the amendment as amended; and to refresh the memories of hon. members, because of the diversity of topics discussed to date. I am going to read the amendment as amended by the hon. member for Assiniboia (Mr. Argue):

> We respectfully affirm that Your Excellency's advisers, by reason of contradictory and confused policies caused by the absence of social and economic planning, and their failure to provide agriculture with a fair share of the national income, and their further failure to take effective steps to combat inflation, no longer merit the confidence of this house.

Before proceeding, Mr. Speaker, I must say how much it delights me to have my old friend the hon. member for Dufferin-Simcoe, (Mr. Rowe), our topnotch free-enterpriser, sit in his seat this afternoon to listen to the philosophy of the C.C.F.

I want to say that my remarks this afternoon will in particular be related to the absence of provision for economic and social planning in the throne speech, social and economic planning which we in this group think is essential to meet the needs of the unemployed in Canada, the needs of the farmers for markets and the instability that is in our economy at the present time.

We in this group give this government full credit for proposing certain measures that will be of value to Canadians and in some cases, as in the case of farmers, veterans and civil servants, of value to particular groups. However, I must emphasize this. We feel that the political medicine provided in the throne speech lacks the potency required to cure the ancient maladies of inflation, the growing unemployment and the lack of markets that particularly concern all Canadians at this time.

I want to say this, Mr. Speaker. We in this group do not profess to have all the wisdom and all the knowledge but we do think we have a sounder approach to our problems than that proposed by the other parties. We have sat and listened to the speeches of hon. members, and regardless of our differences in economic theory policies we recognize that members of this house, whatever their point of view, are making their contribution from their own particular point of view or lack of understanding and so on.

Speakers on the government benches or the opposition benches have used what I would term a welter of words to criticize one another, and it has been quite a skirmish

at times. The debate seems to oscillate these days between a lullaby and a baseball game. In our opinion the criticism of one another's policies on the whole has been somewhat superficial, and that is because there is no fundamental difference in approach to social and economic problems between the old parties. I think that is a correct statement. They are both parties supporting a so-called free enterprise system which no longer exists. However, I must say that a few speakers have recognized and mentioned the disease of unemployment, but they have failed to offer a remedy or, shall I say, a fundamental remedy. They have in each case—and I listened with interest on two or three occasions—presented their problem to the government only. They stopped short then with respect to offering or making some definitive and concrete proposals.

Both old-line parties proposed various degrees of tinkering with and patching up the present incorrectly termed free-enterprise system, which is more and more being revealed as the days go by—and I am sure the future will emphasize it—as nothing more or less than economic anarchy.

What is the situation we face today in this house? I am sure that hon. members here, when they speak on this question, are conscious of the unemployed and of the difficulties of the farmers, of the small businessmen and of other groups in our society. What is the situation we face in Canada some 14 years after the second world war, after one of the greatest and most prosperous periods in our history? We all know that there are approximately half a million unemployed in our country at this time, and a large surplus of unsold stocks of agricultural products and industrial commodities. While that condition exists in Canada at this time we all know that about half the people of the world go to bed hungry every night, and that great numbers are in need of the commodities which we have in such great supply. I think that is a fair statement of the situation.

I rise this afternoon particularly to emphasize the fact that the C.C.F. offers a constructive alternative to meet the present economic dilemma. We have mentioned our policies on many occasions in past years. We think that particularly on the throne speech we should re-emphasize our approach to the situation in view of the remarks we have made all throughout the years and their particular application to the present circumstances.

Our alternative to the policies offered by the government and the official opposition parties is known generally as democratic socialism. I can see the hon. member for Dufferin-Simcoe beginning to blink already. In other words, that means a consciously planned economy with the consent and cooperation of the people of this country. We in this group believe we can have a planned economy and have all the basic freedoms we enjoy at this time.

I will come back later to policy, Mr. Speaker, to indicate the lack of confidence that is growing among business and industrial leaders in Canada, in the United States and in other countries at the present time over the effects of Soviet competition and competition from other countries. I am going to quote very briefly from the Ottawa *Citizen* of Saturday, January 24. I think this is rather remarkable coming from people who resent government interference with free enterprise. They firmly believe in free enterprise. Very often they have criticized the aged, the ill and the disabled for requesting higher pensions in order to have a decent standard of living or some opportunity to enjoy national health insurance and things of that sort. They say, "Oh, oh, there they are again running to the government."

What are these people doing at this time? They are in a dilemma. These free enterprisers are running to the governments of their respective countries, as they have done in Canada before, to bail them out. The article is headed, "United States Business Worried by Soviet Competition", and reads as follows:

> American business leaders are said to be giving serious consideration to the prospect that rapidly growing communist competition—

Fancy them being frightened of competition. Why, that is the basis of their whole lives but they are frightened of it now.

> —in world trade markets might result in the fairly near future in the government moving into a field hitherto regarded as sacred to private enterprise. The research institute of America, a private organization which claims contacts in the communist world as well as in high level United States circles, has circulated among United States business leaders a "report to management"—

Always to management, not to the people.

> —which claims Washington already is considering some sort of government take-over in the foreign trade field.

Then there is the heading, "Figures Cause Dismay."

> The report, which contains statistics from Russia and communist China indicating that the two big communist powers are rapidly overtaking the United States in almost every production field, says the surge in the east has caused "particular dismay" in Washington with the result that "senior United States officials have been seriously considering how to make politically acceptable"—

That means acceptable to the business strata of the community.

—"the establishment of a government foreign trade monopoly"—

My goodness, Mr. Speaker, we have advocated that in this house for a number of years and it was anathema to the Conservative and Liberal parties. It was an invasion of free enterprise. However, these gentlemen, who are now in a dismayed state of mind, are going to suggest a government foreign trade monopoly.

—"which might be able to compete"—

"Might".

—"with the communist monopolies on something approaching equal terms. It is not too much to say that continuance of communist economic growth and the increase of 'unfair' communist price competition"—

Do you remember, Mr. Speaker, how certain business elements in this country opposed the resale price maintenance act as it interfered with what they termed fair competition?

—"could cause the end of private enterprise in international trade in the years immediately ahead."

What a disaster!

Soviet goals in the current seven-year plan would surpass the United States in most economic fields by 1965, the report says. Even if Russia fell far short of these goals it "would nonetheless develop into a much more formidable competitor in world markets than it is now."

The economic advances would be over and above the production and development of weapons in the military field in which, the report concedes, "the Russians are clearly ahead of the United States."

So they admit they are ahead of them in a military sense and overtaking them rapidly in an economic sense. Then follows the headings, "Red China Menace."

Red China's transformation, however, is regarded as even more portentous than that of Russia. "Peiping's staggering goal", the United States leaders are told, "is nothing less than the transformation of China's primitive economy into a modern industrial heavyweight capable of competing with either or both the Soviet union and the United States within ten years."

The entire report, with one exception, is one of pessimism for the future of business in the western world. The exception is the "underlying possibility" that Russia might be forced into seeking an alliance with the west because of fear of "the surging Far Eastern threat of military and economic dominance."

As usual they are hoping that some quarrel between some people or nations will provide the answer to their difficulties. I am serious about this, Mr. Speaker. We continually talk of free enterprise in Canada. In that connection I want to quote a sentence or two from an editorial that appeared in the *Globe and Mail* of Thursday, January 22. We must not forget that generally speaking the *Globe and Mail* supports the policies of the government of the day, and it is a paper I read with a great deal of interest. This is what I find in one editorial in the *Globe and Mail* in our free enterprise Canada:

This newspaper's quest for facts was occasioned by increasing evidence that Canada was being negotiated into economic as well as military servitude to the United States.

I think there is a great deal of validity to that statement. What further evidence do we want than the refusal of Alcan to sell aluminum to China after receiving an export permit from the government? Does that company accept no responsibility to Canada as a whole? Does it accept no responsibility to its employees? It refuses this opportunity to trade. For what reason? Because it is contrary to the policies of the United States state department. We are being influenced from that direction. They do that while hundreds of their own employees are unemployed and seeking work.

As I proceed with my argument let me emphasize once again the fact that we in the C.C.F. are strongly opposed to the political dictatorship of communism and the economic dictatorship of monopoly capitalism, the type of dictatorship in North America which is providing increasing evidence that Canada is being negotiated into economic as well as military servitude to the United States.

As I said before, Mr. Speaker, the C.C.F. offers a democratic alternative policy based on a study and knowledge of Canadian history, Canadian psychology and the present circumstances. We propose a dual or mixed economy based on constitutional and parliamentary procedures. We believe that there are these two great forces in the world and that a clash will inevitably result in the days to come between what I might term the extreme right and the extreme left in politics and economics unless we take some middle course and utilize our intelligence, our constitution and our parliamentary procedures to find another program that will give us the results we seek.

First of all I might mention that we in the C.C.F. recognize that the satisfactory development of a dual or mixed planned economy in Canada rests essentially on co-operation between the federal and provincial governments. That is essential. Otherwise we will not have the success that is necessary. It is up to the leaders of the federal and provincial governments to forgo their petty political differences and their wish at times to gain political advantage for the welfare of the Canadian people as a whole in the development of such a policy as we propose.

When I refer to a mixed or dual economy I mean exactly that. We believe that we have got to have the conscious planning that will provide an opportunity for the development

of public enterprise in the federal, provincial and municipal fields according to the circumstances of the time and to the advantage of the Canadian people as a whole. We believe in a great expansion of co-operative ownership and the development of the co-operative philosophy. There is nothing like the experience of working in a co-operative movement, whether it is a producers' co-operative, a consumers' co-operative or a credit union, to give one a good understanding of the administrative principles of democracy. I think it is good groundwork for anyone seeking to serve in the political field.

We in this group also believe that there is a tremendous opportunity for what we would term legitimate private enterprise. We mean private enterprise where a genuine element of competition comes into play, where the consumer is protected by a measure of genuine competition and where the enterprise, whether industrial, engaged in distribution or in service, is rendering a necessary service to the community.

Sometimes I am criticized by some of my socialist friends for taking the stand to which I am about to refer. I do not mean the group behind me. I am thinking of persons whose views are more doctrinaire in some respects. There is a distinction to be made between the effect of foreign investment in a country and internal investment. Foreign investment means that at the end of the year there is an export of capital from Canada and a net loss of total wealth to the Canadian people. Canadian investment, local or community investment, means that an industry through operations carried on, perhaps not directly in line with our philosophy and theories, results in no net loss to Canada in wealth because the profits are re-invested in our country. There is, therefore, no drain on, shall I say, our total wealth by Canadian ownership.

Now, I want to emphasize this. While we have been criticized for emphasizing the need for planning, I must say that planning is something which is essential in a modern society. What we are concerned about is that we do not have the planning as a result of the corporate state, but that we have planning by the people and for the people. It is for that reason we are concerned about developments in our country. I should like to quote from a letter which I read in the *Globe and Mail*. I see the hon. member for Dufferin-Simcoe (Mr. Rowe) is rather amused at my reading the *Globe and Mail* so frequently, but there is a very thoughtful approach to the present situation in this letter. I quote in part from this letter to the *Globe and Mail* of Saturday, January 24:

> The real reason for the development of the new system of state-aided enterprise, which we are now enjoying, is the basic fact that production has overwhelmed the old order where supply and demand could indeed exert its influence.

That is one reason why we are not overcoming inflation. There are certain rigidities in our economy today as a result of price control and as a result of wages that do not permit the law of supply and demand to work as usual. It is not possible for anybody today to correct the price situation by lowering the workers' wages.

> What we now witness is a frantic effort on the part of government to maintain private enterprise and at the same time nullify the effects of competition, which was the heart of the private enterprise system.
>
> Obviously it is absurd to speak of free enterprise in this context, but it doesn't appear to have deterred anyone. None of our major political parties have faced up to this truth, nor has there been any concern with the inevitability of changes in our political and economic pattern as a result of this dichotomy.
>
> Free enterprise has gone not because of the actions of wicked radicals, but because the inherent imbalance of capitalist production and the growing technology that accompanied it have forced upon the state a set of what first appeared to the politicians as a series of ad hoc measures designed to relieve immediate crises, but which now show themselves to be permanent in their nature. Production outpaces consumption at such a rate and brings with it such dangerous social implications that the state is forced to step in and take up the surplus. But, of course, this sort of "solution" can only be temporary.
>
> It is therefore not hard to envision that, because of the deficits incurred by the new system of state-aided enterprise, and the psychological effects of the stored surpluses that nobody knows how to get rid of, plus the growing unemployment, the state will move into its next stage—control of prices and production in a manner that will ensure a high rate of profit to the larger units of production, and the control of labour to ensure such profit. That is to say, free enterprise having already ended, and our existing system of state-aided enterprise being only a temporary botch of things, it is inevitable that the corporate state must move into the saddle in an attempt to restore order. In the U.S. first, of course, but we will follow in the usual way.
>
> Some of us may not be enthused over this prospect, but that is the logic of events.

He is quite right; that is the logic of events, in our opinion, unless we are willing to accept very soon some planning based on democratic procedures. As I said before, co-operation between federal, provincial and municipal governments is essential for success in developing a planned economy.

I am just going to outline what I consider to be one or two of the essential steps. I have not the time to deal with this subject very fully. I do feel that, first of all, we must make sure of our raw materials. We say one of the first steps is a national policy for the conservation and development of natural resources, as a result of co-operation between all levels of government. There is

no use having fiscal policies or other good legislation without having your natural resources conserved and developed, having in mind the need for a constant flow of wealth to meet the needs of the increasing population, and future generations.

What is the present situation? So far as the development of resources in Canada is concerned, it is chaotic, it is wasteful and it is irresponsible. I shall demonstrate why. I would cite the proposals of the government of British Columbia for the development of the Rocky mountain trench, which comprises about one-tenth of the area of British Columbia, by international financiers whose interest is purely profit. They have no interest in the people of British Columbia. Mr. Wenner-Gren came, said how do you do, goodbye, and went away. What would happen with that development? From our point of view, it is an improper development, a wasteful development, that could damage the possibilities for public hydro development on the Columbia. This hydro development would supply the power required in British Columbia for some years to come. It could affect adversely the established mining and lumbering industries in British Columbia.

At the present time we have lead, zinc and other mines closed down for lack of markets. There are sawmills closed down for lack of markets, as well as sawmills operating under great difficulties because of low prices and competition. However, the plans are for this group of financiers to move into British Columbia to develop the Rocky mountain trench, without any concern about the damage it might do to British Columbia's economy. This development would be under monopoly control and would damage the possibility of a sound development of the Columbia river with its hydro resources, and this would constitute a threat to the incomes, to the employment and to the lives of thousands of employees who are working in other industries in the other developed parts of British Columbia. We say that is completely chaotic and irresponsible, development of resources.

Let us look at the expansion in other fields. There is a declining world market in nickel and other metals, and this has been obvious for the last two or three years. While that state of affairs exists, we have the unnecessary expansion and development of nickel, lead and zinc mines, as well as some other metals, without any sense of social responsibility for the welfare of Canadians as a whole or the industries concerned. Some of these activities are entirely unrelated to the welfare of Canadians, having in mind only one thing, the profits possible from mining or, in some cases, a rise in the value of the stocks.

What other illustrations do we find? What about the closing of the coal mines in Canada without any consultation with the federal or provincial governments? Why did they close the coal mines in Fernie last year? They are owned by a United States corporation. This corporation did not close the coal mines because they were losing money in their total operations. They had mines at Fernie and other points. The corporation closed these mines because they wanted to maintain the rate of profit. Was there any concern for the Canadian communities, the Canadian businessmen or the employees? There was none. Without any consultation with this government or the government of British Columbia, they exercised their judgment in their own interests.

What about the coal mines in Nova Scotia? I listened, I think it was Friday, to the two speeches made by two members from Nova Scotia concerning the closing of the coal mines at Springhill by Dosco, which I understand is now owned by Avro. I was very sympathetic to what they had to say. Before proceeding, I want to say that we in this group heartily support them in their efforts to get something done for these courageous miners who have suffered so much, and whose reward for that suffering is unemployment.

I now want to quote the hon. member for Cumberland (Mr. Coates) as reported in *Hansard* because it is obvious that these members have witnessed the effects of an unplanned economy and of the irresponsibilities of large corporations at this time. As reported at page 278 of *Hansard*, this is what the hon. member for Cumberland has to say in part:

> Here is a company with 40 subsidiaries. Yet they cannot find anything, so they say, that they can place in this town that has these courageous men. What kind of company is this that would have this feeling and yet go into our area and tell us that they are going to make our future better? If this is the way in which they make our future better, I do not want any part of it.

We congratulate the hon. member for sticking up for the people he represents. We realize that he is a member of the Progressive Conservative party giving expression to the fact that he recognizes that this large corporation does not think of the employees and the people of Springhill first but that it thinks of the total rate of profit first.

I should also like to quote from the speech of the hon. member for Cape Breton North and Victoria (Mr. Muir) as reported at page 286 of *Hansard* of Friday, January 23 as follows:

> This gigantic corporation has the future destiny of Nova Scotians in the palm of its hand.

Not the government of Nova Scotia, Mr. Speaker, but this gigantic corporation.

> It is gigantic. It appears that the more gigantic a corporation becomes, the more ruthless it can be.

We have said that on this side of the house for a good number of years, and a great deal of displeasure was expressed on the other side of the house on occasion. Members thought we were exaggerating. This is a Progressive Conservative member giving expression to his opinion of the delinquencies of large corporations. He says this:

> It appears that the more gigantic a corporation becomes, the more ruthless it can be. I am sure that all members in this house and all Canadians who contribute through taxation to the development of industry are awaiting the answers to these and many other questions.

I may say that so are a good many people in Canada. May I give just one concluding illustration of the chaotic way in which other services are carried on without any sense of responsibility to the nation as a whole by capitalist interests. This has not to do with the development of natural resources but with our railway transportation. What about the action of the C.P.R. with respect to the reduction of its passenger service on the Kettle Valley railway to one Budd car twice a week? Here is the C.P.R., the parent company of Consolidated Mining and Smelting Company which has made hundreds of millions of dollars in profits which have benefited the C.P.R. This Kettle Valley line of the company, because of the large tonnage it hauls from Consolidated Mining and Smelting company's mines and plants, is an extremely profitable line. Regardless of the needs and wishes of 100,000 people who live in southeastern British Columbia and who produce the wealth of that country which provides the business for the Canadian Pacific Railway Company, the company reduced the passenger railway service to twice a week with one Budd car.

What are the people asking for? All they are asking for is that there be attached to this Budd car a sleeping car for the older people and mothers with children and a cafe car so that they can get something satisfactory to eat while on the way to Vancouver or to the interior. That is all they are asking. What has happened? The Minister of Transport (Mr. Hees) went to see Mr. Crump, the president of the Canadian Pacific railway. Mr. Crump said no. Who is in control of this country, Mr. Speaker, so far as transportation is concerned? Is it the government of Canada or is it Mr. Crump? We do not believe in that sort of thing. I can say this, Mr. Speaker: when a C.C.F. government gets into office, that sort of situation will be remedied quickly.

Some hon. Members: Oh, oh.

An hon. Member: Dictatorship.

Mr. Herridge: An hon. member says "dictatorship". That is his conception. Dictatorship, from his point of view, is the will of the people expressed through parliament rather than through the president of the C.P.R.

In connection with this necessity for a national policy for the development of natural resources, may I say this. I know the Prime Minister (Mr. Diefenbaker) has indicated some interest in this question throughout the years and more particularly recently, as well as the Minister of Northern Affairs and National Resources (Mr. Hamilton). I have heard rumours of the possibility of a national conference on conservation being called some time in the future. However, I make this suggestion. I hope that conference will be arranged as soon as possible because I think it is basic. Mistakes can be made in the monetary system and mistakes can be made in the building of structures but when serious mistakes are made in the management of our natural resources they cannot be easily remedied or if they are remedied it can only be done over a long period of time, at a great expense. In the meantime I suggest that surveys, including land use maps, are essential and I suggest that they should be undertaken immediately.

We have the forest inventory in Canada fairly well completed. I understand that we have a fairly accurate survey of our hydro resources. We now need a survey of our land resources and land use maps. This government and the preceding government or the people of Canada, shall I say, have provided land use maps for the people of Pakistan and the people of Ceylon, I believe, under the Colombo plan, and rightly so. If we can do that for these distant countries, surely we can get to work now on these surveys which are so necessary, to the end that when the conference is called it will have the basic information needed to formulate policy. I urge that these land use surveys be carried out at the first opportunity.

Before going on to another aspect of our program, I wish to say this. We hear about the untimely development of natural resources which we criticize, or development purely at the whim of large corporations or the waste in development because of the desire to get into operation as quickly as possible. What do we consider to be a planned expansion of our natural resources? We in this group say that the planned expansion of the economy and its natural resources in a stable manner should be sufficient to absorb the increasing labour force which results from the birth

rate and from immigration as a result of a planned policy in that respect. We would much prefer to see a steady, and stable development of our resources rather than the boom and bust which exists in capitalist society and which in many cases leaves the people who have produced the wealth to suffer afterward.

We also believe that we need a planned fiscal system and planned credit policies to meet the requirements of planned production and development of resources. I am not going into that matter at length this afternoon, but I am just going to say this. The people all across Canada are concerned with inflation, which is another word for the increase in the cost of living. Particularly is this so of the lower income people, those on pensions and incomes of that type and also business people. Nothing can erode the stability of a country faster than continuing inflation. That lack of stability prevents enterprise, saving, investment in houses and all things of that type. I am just going to deal briefly with what are the causes of inflation. One of our members later in this debate will give to the house our policy with respect to meeting the present inflationary situation.

First of all may I say that the inflation after the war without a doubt was caused by accumulated savings during the war coming into the market shortly after the war was completed. I suppose the next serious inflationary period was at the time of the Korean war which provided a scramble for materials, commodities and services. Another factor causing inflation which we must not forget is the large expenditures on defence, a non-productive activity. Billions and billions of dollars have been poured into defence expenditures which are non-productive or non-wealth-producing. The people who are receiving incomes from defences production are also making claims on the production of the productive workers, and that has had an inflationary effect on the economy since the second world war.

Then, further, we have the wasteful and unplanned development of resources, a scramble for material for industrial requirements and services in our unplanned development, with companies competing against each other for their requirements and services. Another factor has been the increase in speculation in land values because these values have been increasing as a result of the actions of governments, whether federal or provincial, and because of developments which have been taking place in society. Certain people were able to foresee these things, or to have information about them, and to speculate in land values. That is another reason for inflation.

[Mr. Herridge.]

Finally—and I am only able to mention a few of these causes, the large increase in government expenditure has naturally had a bearing on the inflationary trend. It is a very complicated situation, particularly in an unplanned economy, and it cannot be solved without some correlation of our economic activities and planning.

I see, Mr. Speaker, that my time has almost expired, and I am only about half way through. However, we say that a national investment board is desirable in order to direct funds into socially valuable projects. I wish to say in this respect—and I am not suggesting we support the form of the government in question—that we may have something to learn from events in Yugoslavia since the end of the second world war. Yugoslavia is a country which has a population of about the same size as Canada. The postwar government inherited a war-devastated land whose forests and mineral wealth were owned by international financiers. With all their difficulties—and I might explain that the Yugoslav economy is somewhat more flexible than the Soviet—that government was able to produce an economy in which there is not one iota of inflation, and in which there has been no inflation for years, and under which not one Yugoslav citizen who is able to work need be unemployed. Again, I am not suggesting we should accept the Yugoslav political philosophy, but it is evident that this government has made great strides in planning.

I suggest we have something to learn from these people in this respect. Let us get some of their experience tacked on to our natural wealth and to our intelligence and our free institutions. With co-operation we can build in this country the planned economy which is required to give our people the living conditions and stability they seek at this time.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, this is the first time I have participated in a debate in reply to the speech from the throne, which gives me an opportunity to pay my compliments to the mover of the address, the hon. member for Provencher (Mr. Jorgenson) and to the seconder, the hon. member for Montmagny-L'Islet (Mr. Fortin).

I think the house has recognized the calibre and the future potential of these two young members. The thoughtfulness of the hon. member for Provencher and the honesty of his ideas are reassuring to the agricultural industry all across Canada. I think we recognize that the point of view of agriculture when expressed through him will always

receive a mature presentation in this house. The Canadianism which ran through the speech of the hon. member for Montmagny-L'Islet will, I think, give rise to a corresponding faith and inspiration in all parts of Canada.

Speaking of the amendment put forward by the C.C.F. group, I have noticed that one of the characteristics was the friendliness displayed between the Leader of the Opposition (Mr. Pearson) and the house leader of the C.C.F. group. This friendliness has intrigued me. When I think of the support given to the Leader of the Opposition by the house leader of the C.C.F. group some days ago my mind went back to some of the speeches made by that hon. gentleman when he was back in the west, and I would advise the Leader of the Opposition that he should beware: the things that are said by the C.C.F. leader in the house are not always the same as the things he says when he is out in the country. I have a clipping here dated Thursday, November 27, from the Regina *Leader-Post*. I will not read it all, but this is a taste of the type of thing we have to bear. This is a report of the hon. member for Assiniboia (Mr. Argue) speaking in Regina, and this is what the paper said:

> In his criticism of the Liberal party he attacked Liberal leader Lester Pearson saying "Mike Pearson isn't taking the Liberal party anywhere, because Mike Pearson himself doesn't know where he is going."

I have sympathy with the leader of the C.C.F. group here because I know it is not a very pleasant thing to have a crown prince lurking in the background, particularly when the heir apparent is advising labour unions to go out and get all they can, regardless of the consequences to the rank and file of those labour unions, and regardless of the consequences to the Canadian consumer or to Canadians in general. I am sure the hon. member for Assiniboia realizes the predicament he is in. I think he knows that a King Richard on a crusade can be very unhappy with a King John conspiring in the background.

The political peregrinations of the C.C.F. house leader before the session opened carried him to many places and saw him make many strange remarks. One of those places was Springfield, and I know the house will be interested in some of the comments made on that occasion in connection with the byelection. I have here the Winnipeg *Free Press* of December 11, 1958, from which I intend to read certain extracts to the house so that we may understand precisely what goes on in the west between sessions and be able to compare it with what happens here. This is the quotation:

> Federal reinforcements re-entered the Springfield byelection battle on the C.C.F. front here Wednesday in the person of Hazen Argue, and the party's house leader promptly opened a vicious attack on the Tories for not keeping election promises—
>
> Noting that certain western farm organizations were considering a march on Ottawa to demand deficiency payments, Mr. Argue said there was a more effective way to show the government it had done wrong.
>
> "You can do that by electing Jake Schulz," he stated. "Politicians are deaf to many things, especially delegations, but if you vote for Jake they will hear the ballots drop as far away as Ottawa—"
>
> The speaker also slammed the Conservatives for the "galloping inflation" which has reduced the value of the dollar to 45 cents in terms of what it would buy in 1939.

I hope the C.C.F. leader was incorrectly reported, since to accuse the government of making such a mess of things that it has reduced the value of the dollar to 45 cents in a year and a half is getting into the realm of slight exaggeration. I suggest to the hon. member that if he intends to use this as a political weapon he had better have a talk with Mr. Knowles before he starts speaking about inflation, because Mr. Knowles believes that a little bit of inflation is a good thing. He is going to need some advice from the hon. member for Assiniboia, as I say—but do not let him give it to us in the west because, unfortunately, we know the situation too well. I should think we could all deduce from this that the hon. member for Assiniboia and the aspiring crown prince in the wings are riding off in two different directions.

There is something more in this article in which I think the house would be interested. These are remarks of the candidate in the riding of Springfield, a former hon. member of this house, Mr. Jake Schulz. I wish to place this portion of the article on the record:

> The candidate, recalling his defeat in the last election, likened that election to the hula hoop craze. It took a strong mind "to resist the barrage of Diefenbaker propaganda."
>
> But there's no "Diefenbaker hula hoop campaigns" this time, said Mr. Schulz. They can't get to the people this time, it's too cold. And when people are left alone they will do the right thing.
>
> "The right thing," he aded, "is to vote for me." If you elect a Conservative you will be endorsing the government's policy.

Mr. Speaker, it was cold in Springfield. Several blizzards during the period of the campaign forced the cancellation of many meetings including those of the premier of Saskatchewan. On election day, when daylight came, the temperature was 24 degrees below zero, according to my information. On election evening when the ballots were counted the C.C.F. ran third. The C.C.F. candidate who had won the seat in 1957 ran third in 1958. The people of Springfield did speak and Canada heard them.

Springfield is a representative riding having a large farm population combined with a large urban population. In the constituency there are trappers, farmers, miners and people in many other occupations. The Liberals threw in their first team and the C.C.F. had at least one member of parliament there during the period of the campaign, or rather a former member of parliament from Saskatchewan. The government was represented there by brief visits from four cabinet ministers. Because Winnipeg is a C.B.C. serviced city, television could not be used. All parties were faced with the same 30 inches of snow, blocked roads, high winds; it was a fair fight. It could not be considered a Conservative constituency by tradition. In 1957 only 1700 people voted Conservative. Springfield was won because of the policy of the Diefenbaker government. Although traditionally Liberal, that seat was won by the Conservative party because of its agricultural policy and its development policy.

I also noticed that the house leader of the C.C.F. visited another town in that constituency and this time he discussed freight rates. His first move was to make a statement of government policy. Let me read a press clipping from the Winnipeg *Tribune* of December 12, 1958:

"The federal government will announce through the Hon. Gordon Churchill on Friday in Beausejour action equivalent to lowering the recent 17 per cent freight rate boost to 10 per cent", Mr. Argue said.

I have often wondered where some of these stories appear from and I think we have established a source. This should be a lesson to the hon. member for Assiniboia. On at least two occasions since the change of government he has attempted to anticipate government policy and by so doing he does not build up for himself a reputation for accuracy.

Mr. Argue: I had some faith in you. I thought you were better than you are.

Mr. Hamilton (Qu'Appelle): Let us read some additional comments in his speech as reported in the *Tribune*:

—the C.C.F. leader said that any change in the present freight rate structure will come because of the Springfield by-election. "Springfield has more influence on the government than the eight provinces combined that protested the freight rate increase", Mr. Argue said.

Well, Springfield spoke and we know the answer. I do not know what the impact on the government will be, as a result of the C.C.F. candidate running third there, but I do know the people of western Canada are very glad and grateful that the present Prime Minister is in power when it comes to the matter of discrimination on freight rates that the Liberals allowed and refused to correct in their long period of office. I believe that Canadians generally will be pleased at the Prime Minister's statements about the statutory Crowsnest pass rates. I trust that this will put an end to the rumours, innuendoes and distortions that have mysteriously sprung up all over the west in the last few months.

Another interesting example of contradictions and confusion in the ranks of the opposition lies in their statements on the disposal of surplus wheat. Everyone remembers the strong opinions held by the hon. member for Assiniboia about the necessity of disposing of our surplus wheat. Yet I find in an article in the Kingston *Whig Standard* of December 10, 1958, over a Canadian Press by-line, the following statement attributed to the C.C.F. house leader:

But I think it would be misusing the general overall purpose of the Colombo plan if we use it as a means of getting rid of surplus wheat.

This is most unusual, Mr. Speaker. The Prime Minister made it very clear last August 30 how the Conservative party was adding a third dimension to the Colombo plan. The house leader of the C.C.F. rose in his place and, as reported at page 4351 of *Hansard* of that date, said:

"We, in the C.C.F., have asked for a surplus wheat disposal program for many years."

He made no mention of criticism with respect to adding this third dimension to the Colombo plan. He does not refer to it as an additional means of getting rid of surplus wheat.

Mr. Argue: Those statements are not contradictory. If the hon. gentleman will permit me to do so I will explain it to him.

Mr. Hamilton (Qu'Appelle): You will have to explain it—

Mr. Deputy Speaker: Order. If the hon. member wishes to obtain the permission of the minister to ask a question he may do so but he cannot interrupt the minister in the course of his remarks.

Mr. Argue: I wonder if I might say a word at this time?

Some hon. Members: Order.

Mr. Hamilton (Qu'Appelle): I think the hon. member—

Mr. Argue: I would like to ask the minister a question—

Some hon. Members: Order.

Mr. Argue: Does the minister not know that there is a difference between making gifts under the Colombo plan—

Mr. Deputy Speaker: Order. I must repeat once again to the hon. member that if he wishes to ask the minister a question he may do so with permission from the speaker who has the floor but he cannot make a speech at this time.

Mr. Argue: I would remind you that the minister sat down in his seat when I asked permission.

Some hon. Members: No.

Mr. Pickersgill: Yes he did.

Mr. Hamilton (Qu'Appelle): I might point out to the hon. gentleman that I took my seat when I observed Mr. Speaker on his feet.

Regarding the question of the Colombo plan I know as well as any hon. member of the house the various components that make up the Colombo plan, the technical and economic assistance as well as the aid of other types. What I was saying was that last summer, on August 30, when the Prime Minister added a third dimension to the two previous dimensions of the Colombo plan there was no opposition in this house from the C.C.F. or anyone else as far as I can ascertain and yet we have statements appearing in the press that seem to indicate that the C.C.F. party through the person of its house leader is casting doubts on the use of this third dimension of the Colombo plan to help those people who so desperately need help and at the same time dispose of our surplus wheat.

Mr. Argue: That is not true.

Mr. Hamilton (Qu'Appelle): The hon. gentleman will have ample opportunity in future debates to make his position clear. I am simply saying that when I read these statements in the press I reached the conclusions I have mentioned.

We as a government through the leadership of the Prime Minister are trying to put vigour into Canada's efforts to dispose of wheat abroad. The Prime Minister was in India, Pakistan and other commonwealth countries discussing, among the other important things he discussed, the disposal of our surplus wheat. At the same time that this was going on we have the leader of the C.C.F. house party squawking in public gatherings in western Canada that the Prime Minister (Mr. Diefenbaker) was hunting tigers.

Mr. Argue: Was he not?

Mr. Hamilton (Qu'Appelle): And assuming thereby that the people would think that he was wasting his time.

Mr. Argue: Was he not?

Mr. Hamilton (Qu'Appelle): I would ask the hon. member for Assiniboia not to take my word for it that he was not wasting his time but to read an editorial in the January 22 issue of the *Western Producer;* two long columns of approval of what the Prime Minister is doing for Canada, not only in the realm of world peace but also in the realm of getting rid of some of our surplus products.

Everything I have said adds up to only one thing. These angry squawks, these incorrect predictions, these wild statements, these contradictory opinions expressed by the leader of the C.C.F. party in this house and across the country add nothing to the body of constructive thought in Canada. It is his failure, and his party's failure, to refrain from irresponsible actions that are causing the difficulties that the party is having today.

I hold in my hand a copy of the Gallup poll and I do not want to—

Mr. Argue: This is the most attention I have had in years.

Mr. Hamilton (Qu'Appelle): —fill the record up too much. However, I will just point out—

Mr. Argue: The greatest compliment I have had in many years.

Mr. Hamilton (Qu'Appelle): —that in July in western Canada the C.C.F. support was shown as 19 per cent. In October, as the hon. member for Assiniboia got his campaign rolling in western Canada, it dropped to 17 per cent. Then, on January 14, the date of this poll, it was down to 16 per cent. Naturally, as politicians, we want him to go up and down the country making those irresponsible statements because it destroys the party. But I might point out before I go on that the Liberals are dropping in the west, too. They have dropped two points in the last two months and we have gone up three points.

Mr. Robichaud: What about the maritimes?

Mr. Hamilton (Qu'Appelle): I will let the hon. member for Gloucester look after the maritimes.

Mr. Pickersgill: He is doing it.

Mr. Hamilton (Qu'Appelle): I am not the only one who shares these views about the C.C.F. I have here the *Canadian Journal of Economics and Political Science,* for May, 1958, which contains an extract from the minutes of the C.C.F. national council. This

is a statement by one of the very top C.C.F. leaders, according to this account. Let the house listen to what a very top C.C.F. leader says is the cause of the C.C.F. failure. I am quoting:

"We have to look very realistically over the period of the last 10 or 15 years and recognize that we have lost ground. The best indication of our weakness is that the old line parties are no longer afraid of us. The average person on the street doesn't keep backing a fighter who has been knocked out five or six times in a row and has no prospects of ever becoming champion. You have to have a party that looks as though it is going somewhere, a party that is increasing its prestige and its strength and frankly I don't think we are."

Mr. Fisher: May I ask the minister a question?

Mr. Hamilton (Qu'Appelle): Leave it to the end of my speech.

Mr. Fisher: Will the minister give the date of the quotation, not the date of the article?

Mr. Hamilton (Qu'Appelle): The date of the quotation is 1956.

Mr. Drysdale: Still going down.

Mr. Hamilton (Qu'Appelle): I am not accusing the hon. member for Assiniboia of being knocked out five or six times or of being punch drunk, but I am saying that he would do a service to his country and to agriculture in particular if he would make an effort to be more consistent and more responsible, and I know he can do it. I hold in my hand an article from the Winnipeg *Tribune* of November 28, 1958, in which the hon. member proposed a bill of rights for agriculture consisting of 12 points. I can honestly say, Mr. Speaker, that the great majority of farmers in western Canada could support almost every point of this 12-point program. It is a constructive program; it is a thoughtful program and if the hon. member really believed it he would walk across the floor of this house and support the government, because almost every point, except one, is part and parcel of the national agricultural policy of this government.

Mr. Argue: He is on both sides in his own argument.

Mr. Hamilton (Qu'Appelle): I want to be kind; I always like to find some good in every one. In the house on Friday the Minister of Agriculture (Mr. Harkness) told us about a quotation from a former member of this house who has now turned author, a man by the name of Right Hon. James G. Gardiner. He quoted from this new author's published articles the fact that the Conservatives were setting agricultural prices too high. The minister then went on to remind the house that the hon. member for Assiniboia was saying that we were putting them too low. And he said he would leave it to the house to judge between the two statements. I am saying that from what I have already said the people of western Canada have also judged, if the Gallup poll is any indication, and if the election of last March was any indication.

I would like to put on the record for the first time some of the figures which show the thinking in my own province of Saskatchewan. I can do this with some feeling. In 1953, the P.C. vote was 43,677; the Liberal vote was 133,495; the C.C.F. vote was 156,306; others were 20,605; and a total of 317,000 people turned out to vote. Many thought there was no chance of defeating the Liberal government. Some stayed at home; others voted C.C.F. and for other splinter parties. But, in 1957 a change is noted: 90,359 voted P.C.; 118,282 voted Liberal. That was a drop of about 15,000. The C.C.F. dropped to 140,293 and others received 41,292; but this time more turned out, 390,000.

The next spring, 1958, 205,452, 52 per cent, voted P.C.; the Liberals dropped further to 78,124, 19 per cent; the C.C.F. continued their avalanche downward to 112,800; and others were decimated, 2,349, or one per cent. In that winter election 398,000 people in Saskatchewan turned out. Surely, this is some evidence of a tremendous demonstration that something had been wrong and that the people had faith in the Conservative party led by John Diefenbaker, that he would help us do something about it.

For years we had sought for a comprehensive farm program in the west because we knew this was necessary to get at the basic troubles of agriculture. On Friday the house heard the Minister of Agriculture describe the progress to date in that program. I think there is reason, Mr. Speaker, why we held Springfield and why our vote is still going up in western Canada.

I was very pleased myself to hear the Minister of Agriculture tell the house how this year the cost to the farmers rose one per cent but that the gross income rose 10 per cent. This trend of rising costs and declining revenues has been checked; at least we are ahead a little bit. I do know, looking at the figures of Saskatchewan and the prairie provinces generally, that the impact of this government's policies has been most pronounced in the prairies. I could recite to this house not only the impact of the housing program, the impact of the start of the work on the dam, the impact of the northern roads, the impact of the new discoveries in oil and gas, the impact of the potash industry, the impact of all the cattle we are producing, which are up nearly 170,000 head in the last

two years, but the effect of the stabilization prices is giving peace of mind to the farmers of the west for the first time. But all this reciting would not destroy the fact that we know and western Canadians know that the task is not yet completed. Therefore, to assume that we are satisfied with this gain of 10 per cent in the gross revenue or nine per cent in the net is not to prematurely measure this government.

We are pledged to a policy of bringing to the people engaged in agriculture all across the country, not only in the west, a fair share of the national income. To that policy we will remain dedicated and we will keep working with the idea that year by year this thing will pick up and we will be able to give these people, who have borne such a heavy load in this country's growth, their reasonable, fair share in the years to come.

Mr. Pickersgill: I wonder whether the minister would permit a question?

Mr. Hamilton (Qu'Appelle): I am waiting until the end of my speech for all questions. I do not intend to dwell much longer on the C.C.F. but there is one personal matter I should like to clear up once and for all. The hon. member for Assiniboia stated once last session and again this session that I had stood for deficiency payments during the election campaign. Last Monday I stood up and repudiated this suggestion and said that I would speak at greater length upon it. For the sake of the record I should like the house to judge the truth of this whole matter. I am going to read the actual words I used at Grenfell, Saskatchewan, on February 22, 1958, when speaking at my nominating convention. Because of the television cameras, the radio equipment and all the reporters in front of me I spoke from a prepared text. This is what I actually said:

> "Representations have been made by the wheat pools and the Canadian federation of agriculture to the federal government concerning deficiency payments on western grains. This matter is now being considered. However, we would be very unwilling to support any proposal where 80 per cent of the money went into the hands of 25 per cent of the farmers. Our minds are completely open and we are willing to meet the challenge to provide a fair share of the national income to agriculture."

Those are the words from the prepared text. Here are the words of the Canadian Press dispatch, and I ask the house to compare them:

> "As for deficiency payments, the matter is being considered. However, we would be very reluctant to support any proposal where 80 per cent of the money went into the hands of 5 per cent of the farmers."

I think the statement in the Canadian Press dispatch is a fair one, but much better evidence than that is the fact that all across Saskatchewan during the campaign I was distinctly conscious that C.C.F. candidates throughout western Canada used this Canadian Press statement and other similar statements in other places. As late as March 28 the premier of Saskatchewan, speaking in the same town of Grenfell, castigated me over a provincial-wide radio hook-up for having made a speech of that nature. I simply say that the people of the west knew fully what our stand was. Our minds were open. We were considering the matter but I did put it very clearly that we would be most reluctant to do anything whereby 80 per cent of the money would go into the hands of 25 per cent of the farmers. I think there was a very clear understanding by the people of the west as to where I stood on this matter.

In fairness to the hon. member for Assiniboia, I think he knows that I know that he based his remarks on a newspaper clipping which I have seen but perhaps he should have read all the other newspaper articles in which were listed the whole series of problems to which the government was giving consideration. If you read the statement in the light of all the other statements I think it can be said that the people of Saskatchewan fully understood the issue.

In my final ten minutes, Mr. Speaker, I should like to turn to a subject which will be of never-ending interest to Canadians. I refer to the government's "national development program". Recently I have noticed hints in the newspapers that the vision is fading and is growing dim. I am not going to bother to read these statements. All I am going to do is to state flatly that as far as the government is concerned exactly the opposite is true. Never has the government been so busy as it is at the present moment in pushing forward its plans and programs that comprise the first stages in our blueprint of a plan to build a nation of 50 million to 100 million people. The first phase of the development program can be divided into three main parts.

The first of these is delineation of resources. In this country we have no Paley report but through the Borden commission, through our roads to resources program, through research and through a new motivation in our drive north we are making rapid progress on this first part of our development program.

The second part of the "national development program," dealing with the development of power and the things that go with it in the Atlantic provinces, in the prairies and in British Columbia, is moving satisfactorily.

The third part of the development program is conservation, and I think the hon. member for Kootenay West (Mr. Herridge) can join with me in everything I say from now on. On no subject has more been written than on conservation but on no subject has there been less done at the federal level. However, at long last the wheels have begun to turn. On November 17 last representatives of the ten provinces met with me and my colleagues to lay the plans for a national conservation conference in 1960. All of us recognized the unlimited scope of the problem and the need to establish desirable conservation programs across Canada.

Within the next two months the provinces will present statements of what they are doing and the gaps that they see in a desirable conservation program. From then on the machinery will begin to roll. I think it would be preferable, Mr. Speaker, rather than giving the details at this time, to say that I will make myself available in the standing committee to go into the details of this operation. With respect to the suggestion of the hon. member for Kootenay West about land use maps in the national parks and all across Canada, may I say that that is one of the proposals we have already offered to the provinces as part of an over-all program in 1960.

Mr. Herridge: Good.

Mr. Hamilton (Qu'Appelle): It is my firm conviction that the provincial governments and the federal government can co-operate to formulate the principles under which governments, conservation districts, private organizations and universities can operate. I feel that in 1960 we may have begun a program of conservation and resource management unparalleled in this country and equal in importance in my mind to the contributions made by Theodore Roosevelt to the United States nearly 60 years ago.

Therefore, Mr. Speaker, since the opening phases of the national development program, as announced by the Prime Minister almost a year ago, are now well in hand, I think that it would be of interest if I gave the house some indication of the research projects and activities of the government leading to greater and broader knowledge and better organization of our national development program. Under the leadership of the national research council we have embarked on a study of long range transmission of electrical power.

Mr. Martin (Essex East): That was begun about four years ago.

Mr. Hamilton (Qu'Appelle): The accomplishments of Russia, Sweden and of one of our own Canadian companies in developing high voltage transmission lines have not passed unnoticed.

Mr. Martin (Essex East): Was that not begun about four years ago?

Mr. Hamilton (Qu'Appelle): It does not require too much thought to realize the direction in which the government's program is heading. I should like to point out to the hon. member for Essex East (Mr. Martin) that the scientific committee of privy council had not met for many years until this government took office.

Mr. Martin (Essex East): Of course that is not true, and you know it.

Mr. Hamilton (Qu'Appelle): I know what the records show.

Mr. Martin (Essex East): But you are wholly inaccurate. Understandable but inevitable exaggeration.

Mr. Argue: You have been inaccurate all afternoon.

Mr. Hamilton (Qu'Appelle): I would not let the hon. member lead me into the position where I could tell him what actually went on in the last few years.

Mr. Martin (Essex East): Say what you think. This is the place.

Mr. Hamilton (Qu'Appelle): My department has worked out a five year program of accelerating forest research, both basic and applied. The first stages of this go into operation in 1959-60. The Department of Mines and Technical Surveys has worked out a program of building new hydrographic ships and the improvement of existing ships that should result in five years in a doubling of the effort in this field in which we are very far behind in our governmental responsibilities. Plans are also being prepared by the department that should result in the doubling of activities in the geological and geophysical services to this country.

Last year the house approved a vote to move material to Resolute Bay in order that our research program on oceanography and geophysical survey, as well as other forms of research, could be undertaken this year, that is in March 1959, in the Queen Elizabeth islands in the Arctic. I should like to tell members of the house that it seems fitting that the bases used in this program rest on islands named after Borden and Meighen, members of a government which nearly 50 years ago authorized Stefansson's expedition.

The Department of Transport is studying the matter of atomic icebreakers and atomic submarines. Both the national research

council and the department of northern affairs are accelerating experimental work on better and cheaper housing for northern areas. Central Mortgage and Housing Corporation and the pulp and paper institute, with government assistance, are working on new techniques for sewage disposal.

Atomic Energy of Canada, in co-operation with the provincial government of Ontario, has started a large scale multimillion dollar program on development of large and medium-sized atomic plants.

It is the hope of our department that, in co-operation with Atomic Emergy of Canada and a Canadian electrical company, we will be able to work out the difficulties of building a nuclear power plant for use in the far north. We hope that this plant will provide not only economic heat and power for northern communities, but will also become another Canadian product available to the markets of the world. This private company, which is a subsidiary of a United States company, should be congratulated for entering into a research program in co-operation with the federal government which should enable us to produce a competitive Canadian product and better nuclear plants in the future.

Research by itself is not enough. There must be careful direction and co-ordination over all areas at the executive and administrative levels. The government has taken action to provide this direction and co-ordination. In addition, there has had to be some reorganization of government departments. The Department of Agriculture has already announced its reorganization with a special division for research activities. My department has completed a major internal reorganization which I shall outline, if I get the opportunity, to the standing committee on mines, forests and waters.

In the last session, Mr. Speaker, I spoke of the necessity of effective occupation in the north. I think hon. members will approve of a short report in this field. There are now increasing numbers of Canadian weather stations in the north. These are very important to our plans for improving communications by sea and air to our northern islands. The Minister of Transport (Mr. Hees) has announced plans for taking over four airfields on our northern coast. This will mean increased convenience to geological parties operating in these northern areas. Canadian companies supplied all the western D.E.W. line stations in 1958, and in 1959 it is expected that all D.E.W. line stations will be supplied by Canadian agencies. Last Monday the government announced the taking over of operational control of the D.E.W. line.

Mr. Speaker: Order. I am sorry to interrupt the minister but I must inform him that his time has expired.

Mr. G. R. McWilliam (Northumberland-Miramichi): Following the time-honoured custom, Mr. Speaker, I wish to express my congratulations to the mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address in reply to the speech from the throne. I think they did credit to themselves and to their constituencies. I am sure all members of this house are pleased that you, Mr. Speaker, are still with us. We were all disturbed over the rumour that your splendid services might be lost to this house as a result of appointment in another field of the public service of Canada. This other field of the public service has suffered a loss by you remaining here, but we have gained.

The speech from the throne covers many measures to come before this house. However, until those items are presented in legislative form little, if any, detailed information is available to the members of the opposition. The first words in the throne speech advised us of the forthcoming visit of Her Majesty Queen Elizabeth and Prince Philip. This announcement was welcomed with the greatest of pleasure by all Canadians. The itinerary for the Queen's visit has now been released. While it is realized that all sections of Canada cannot be visited by Her Majesty, it seems only reasonable to expect that in so far as possible the itinerary will include places which the Queen did not visit on her last tour. The itinerary for New Brunswick follows the same course as was followed during the last visit.

Once again, it is found that Her Majesty will not visit the north or northeast part of the province. The citizens of Northumberland-Miramichi had high hopes they would be given the honour and privilege of welcoming the Queen and her consort. It was hoped the tour would include a motor trip from Fredericton down through the beautiful Miramichi valley to the towns of Newcastle and Chatham, or, as an alternative, a flight by air to the Chatham R.C.A.F. station with the opportunity of a stop-over at government house in South Nelson, the residence of the Hon. J. L. O'Brien, New Brunswick's lieutenant governor, the Queen's representative in our province.

Your efforts, Mr. Speaker, toward putting an end to the reading of speeches are commendable. In the past efforts have failed to bring about the desired result. It is understood and agreed by all parties that this restriction will come into effect following the throne speech debate. This may prove to be a handicap to many members for a time, but in the end it will result in better debates,

even if the choice of words and phraseology suffers somewhat. These efforts toward eliminating the reading of speeches will be watched with keen interest. The results, if achieved, will take time. The use of notes will have to be clearly defined, as the use of copious notes borders closely on the reading of a speech. I am sure all members are anxious to co-operate. However, some latitude will have to be given at the outset, with restrictions being progressively more strictly applied as the session moves forward. If this is not done, many members will be timid about taking part in debate. No doubt this restriction will shorten the length of the debates, but it will not take away any worthwhile contributions.

Two serious problems face Canada today, unemployment and inflation. Despite the statement that unemployment has passed the peak, indications point to serious unemployment during 1959. This is particularly true of the Atlantic provinces. Inflation is also a most serious problem. Despite the statement of a member of the government that inflation and unemployment will have no serious effect on our economy in 1959, I am sure the majority of Canadians do not share that feeling.

Unemployment has been the topic of many Conservative members speaking in this debate as well as of opposition members. Members of all parties from all sections of Canada have called upon the government to take action to combat rising unemployment. Responsible civic organizations and other levels of government across Canada have also called upon the government to take action to combat unemployment. Government action to date has failed to bring about any worthwhile results. For government spokesmen to say that unemployment is on the decline is a misrepresentation of the actual situation. Figures can be twisted around to make the situation look better or worse than it actually is. I doubt that any one would conscientiously say that unemployment is not a serious problem and that the future looks bright. The fast-depleting unemployment insurance fund is proof of the seriousness of the situation, and this depletion of the fund does not show the full impact of unemployment.

The state of unemployment is particularly true in the Atlantic provinces where unemployment figures are rising rapidly to new all-time high records. The official forecasts for March for the maritimes present a bleak picture, based on the continuing loss of markets in mining, forest products and fishing.

Grave concern is felt in the maritime provinces over the plan to keep the St. Lawrence river open on a year-round basis for the export and import of commodities by water to and from Canada particularly during the winter months. If this plan is put into operation the maritime ports will suffer and serious adverse effects will follow for the economy of Nova Scotia and New Brunswick in particular and the maritimes in general. I join with other individuals and groups in protesting against action that will adversely affect our maritime winter ports. If Canada is to survive as a nation of distributed wealth, a plan of "live and let live" must be followed.

Mr. Speaker, we are still waiting for a report on the study of the feasibility of a causeway between New Brunswick and Prince Edward Island. This survey was started by the Liberal government in 1956 and the people of these provinces are looking for an interim report in view of the statement of the Prime Minister (Mr. Diefenbaker) on February 5, 1958—almost a year ago—when he said that the federal government had ordered an immediate engineering study of this project. We wait patiently for an interim report on this matter.

As to the Chignecto canal, the survey was promised and possibly it was started but apparently it bogged down because the Minister of Transport (Mr. Hees) and the Minister of Public Works (Mr. Green), when asked for a report on this project in this house on Friday last, refused to give one. I am not going to spell out the many advantages that could have been derived from the construction of the Chignecto canal—they have been placed on the record many times in the past—over the years since it was a firm commitment at the time of confederation.

Most of the maritime members of both parties are on record in favour of the early survey and construction of this Chignecto canal. Maritime municipalities, city and town councils, have made representations, for the construction of the Chignecto canal and have urged that the pledge of confederation be honoured as a vital asset to the economy of the maritimes. The need of the Chignecto canal has been recognized in the maritimes over the years. The need is much greater now with the construction of a large oil refinery now under way at Saint John. Proof of the much talked about "aid to the maritimes program" could become a reality by the undertaking of this project.

Since the bill of rights was introduced at the last session, many qualified groups across Canada have expressed the opinion that, desirable as a bill of rights might be, there is no particular rush for the passing of this bill at this session. These groups contend that further study should be given by both houses of parliament at this session, when an exacting

study which the legislation deserves can be given with a view to improving the proposed legislation and at which time representations can be heard from interested groups before a joint committee of the Senate and the House of Commons.

I turn now to a matter that has caused a good deal of concern and, may I say, a good deal of criticism in the constituency I represent and in all of northeast New Brunswick. At the present time in the constituency which I represent television reception ranges from black-out to snow flurries to rolling pictures to fair reception under ideal conditions. This television service is received from privately owned stations located at Moncton and Saint John. The reason for the poor reception is the fact that these stations are upwards of 100 miles distant. The northeast counties of the province, namely Gloucester and Restigouche, are without television services owing to being an even greater distance away from the stations.

The people of the area which I represent have no quarrel with the privately owned stations with regard to the television reception. On the contrary, they appreciate the programs they are able to receive when conditions are good. They realize that the giving of service to that part of the country, owing to its location and other features, is the responsibility of the C.B.C. The people of Northumberland-Miramichi and the people of northeast New Brunswick feel that they are entitled to their share of the C.B.C. publicly-owned television services. Most Canadians enjoy good C.B.C. television or are located within areas adequately covered by privately-owned stations. Many Canadians have a choice of four or more channels.

Previous requests to the Minister of National Revenue (Mr. Nowlan)—the spokesman for the C.B.C. in parliament—and to the C.B.C. board of governors for C.B.C. television services for northeast New Brunswick have failed to bring about the desired result. The northeast part of New Brunswick can readily be served by the C.B.C. from its system on the west side of the province. There is no good reason why a C.B.C. satellite or repeater or translator, whatever it may be called, cannot be erected on the high ground at the county boundary line between Northumberland and Gloucester counties and be hooked up with the C.B.C. system on the west side of the province. This hook-up would provide good reception in northeast and eastern New Brunswick, an area with a heavy density of population which is now quite without television reception except in the fringe areas where reception is not constant.

I wish now to say a few words with regard to the fishing industry and in particular in connection with fishing on the east coast of Canada. Fishing, as I am sure every hon. member knows, is very important to large sections of the Atlantic provinces, and in this regard problems are mounting almost daily. The most serious aspect of these problems in the Atlantic fisheries is the future of our markets. Newfoundland has a most serious problem in this regard. The Department of Fisheries is striving to improve the lot of our fishermen by research and other methods. What is causing so much distress in the industry is the lack of markets and the loss of former markets. This has jeopardized our position in the traditional fish markets. Markets for Atlantic fish products must be recovered and new ones opened up if the industry is to survive.

The Miramichi fishing industry remains, on the whole, fairly steady. Catches of the different species of fish fluctuate, however, and the economy of fishing villages and of the Miramichi fishing industry has its ups and downs. Most of the products are in the delicacy class and a ready market is found for them. The problem is the lack of quantity, which makes conservation measures of prime importance for the future. Public attention was focused on the Miramichi area last year when lobster poachers became very aggressive and in one instance resorted to the use of firearms to scare off protection officers. Illegal fishing, and in particular tactics employed to scare off protection officers are condemned by the vast majority of fishermen who are law abiding citizens, who work the hardest for the smallest remuneration, and who realize that illegal fishing has serious effects on future stocks, a factor which subsequently affects the livelihood of all those engaged in the various phases of the industry.

On previous occasions I have requested the Department of Fisheries to provide a series of talks to fishing groups in their respective localities augmented by the showing of films, slides and charts in order to emphasize the importance of conservation and the drastic results of illegal fishing, and to impress upon fishermen the dangers of taking undersized fish, in particular fish that are necessary for propagation.

Although an educational program would bring about splendid results there will always be a few men who will fish illegally. It is necessary, therefore, to maintain active and progressive protection measures in order to protect the industry and safeguard the livelihood of law abiding fishermen. More aggressive measures should be taken against purchasers of illegal fish. If the outlets where illegal fish are sold are put out of business

illegal fishing on a large scale will be eliminated, particularly in the lobster fishing industry.

A request has been made by the Miramichi salmon drifters association for a change in the drift net fishing season dates. The minister has informed me that the matter will be referred to the Atlantic salmon co-ordinating committee. Other representations have been made from time to time by the Miramichi commercial fishing association and the Miramichi salmon association incorporated. All aspects of Miramichi salmon fishing should receive exhaustive study by the co-ordinating committee before the committee makes its annual recommendations to the Minister of Fisheries (Mr. MacLean) with regard to bringing about mutual agreement on the fishing dates among the three groups, namely the drifters, the set netters and sport fishermen.

Fishing facilities on the Miramichi river are, on the whole, fairly adequate. There are, however, a number of small fishing areas which lack adequate facilities and I trust these will be provided in the near future.

Mr. Speaker, I will repeat what I have said on former occasions in this house: the status of the Department of Fisheries should be raised and additional moneys provided so that the department may do the things that are necessary to be done in order to bring the Atlantic fishing industry into its proper perspective so that it can fully promote the industry which is so vital to the economy of the Atlantic provinces.

In conclusion, I urge the government to put into effect now a plan of action designed to ease the recession and to bring back the stability of the Canadian dollar. Whatever action is required, drastic though it may be, the Canadian people look to this government to measure up to the task, while the people, for their part, are prepared to do whatever is necessary to safeguard the future of Canada.

(Translation):

Mr. Paul Lahaye (Champlain): Mr. Speaker, it is with mixed feelings of apprehension and pride that I accept the responsibility of speaking for the first time in the House of Commons.

Like those who spoke before me, may I say to you, Mr. Speaker, that I admire the dignity and the competence with which you are conducting the proceedings of this house and which give them the sober character that becomes the highest chamber of this country.

[Mr. McWilliam.]

May I congratulate also the deputy speaker (Mr. Sevigny) as well as the deputy chairman of committees of the whole (Mr. Rea).

I feel bound to refer to the last by-election which brought new members to this house. I congratulate those new members, particularly the hon. member for Grenville-Dundas (Mrs. Casselman), who adds to this house a new note of brightness. On this point, I recall the particularly pleasant remark of one of my predecessors here, now president of the legislative council of the province of Quebec, the hon. Jean Louis Baribeau, who used to say that "an assembly without women, is like a garden without flowers", a statement I am pleased to endorse at this time.

I want to congratulate particularly the mover of the address in reply to the speech from the throne (Mr. Jorgenson). I listened to his speech very carefully, because he is a western farmer. Being a farmer myself, I was particularly interested. He said that western Canada faces a very serious problem, perhaps the most serious of all, that of wheat. I was glad to see that this year, the Conservative government has succeeded in exporting more wheat than ever before. This is a proof of the government's efficiency. I rejoice with the western farmer about that.

Nor did I fail to note, Mr. Speaker, that in the course of his remarks, the hon. member referred to problems which are similar to those of the eastern farmers. I take this opportunity to say that, for the first time, and in an efficient way, a government has shown concern for the eastern farmers of Canada. We had been used in the past to consider agriculture as a western business. I am glad that active consideration is being given to the benefit of the Canadian western farmers, but I am now much happier to note that the government now concerns itself with the problems of all Canadian farmers, both of western and eastern Canada.

May I merely mention, as evidence of that, the magnificent bill introduced last year, that is, the Agricultural Stabilization Act, which helped the eastern farmers—those small farmers still operating a family farm—to face the future with a little confidence and to stop being the victims of that uncertainty which had always been their lot under previous regimes.

As soon as the Conservative government came into power in 1957, I had the opportunity and pleasure of being part of the Quebec delegation which had come to meet those of the other provinces, and ask the

newly-elected government—in fact, it was so recently elected, at the time, that the hon. Minister of Agriculture (Mr. Harkness) was still only acting minister—to do something to stop the dumping of poultry, and more particularly of turkeys, on the Canadian market. The situation was such that in the fall of 1956, Canadian producers had to sell at a loss on a dwindling market. I am happy to state that from then on, the Conservative government began to concern itself with the plight of Canadian poultry breeders and that, right away, we obtained from the ministers who met us on that occasion—I attended the meeting as the representative of the turkey breeders of the province of Quebec and also, if I may be allowed to mention this, as president of the biggest and best turkey hatchery in Quebec province, the Batiscan hatchery—as I was saying, we immediately obtained the establishment of a control over imports of turkey meat from the United States. As a matter of fact, I think it was the following day that a cabinet order settled the situation, with the following results: while we had imported 6,500,000 pounds of turkey and chicken meat from the United States in 1957, the figure for 1958, following establishment of this control and despite certain protests to the Minister of Agriculture, was only 167,000 pounds of old turkey meat suitable for soup, and about 300,000 pounds of roasting turkey. Those were the imports made up to last October.

This shows the difference, Mr. Speaker between the situation existing in 1957, when our imports reached 6½ million pounds of turkey meat, and the situation in 1958, when the figure was kept down to about 500,000 pounds. Here is a case of action to improve agricultural conditions in Canada.

Mr. Speaker, to assess improvements that have occurred in the agricultural field, I think it can still be useful to review the situation previously obtaining. I shall not go back very far, but it is a historical fact that at the end of the Korean war, we, the farmers of the province of Quebec, felt at the time—that was in 1950-51—that our income could compare quite favourably with that of other classes of society. We then sold beef at 40 to 50 cents a pound, pork at about 50 cents a pound, and milk at $3.50 a hundredweight, which made the situation normal. Later on, agricultural conditions in the province kept deteriorating, reaching a period where milk sold at $2 and a few cents per hundred-weight. The price of pork fell to 22 or 23 cents a pound, which was the minimum price at the time, and beef fell as low as 20 cents a pound.

This drop in prices made the farmer's situation absolutely unbearable, and forced farmers' sons to leave home. These young farmers, the very life blood and future of our country, were moving to the cities.

Hog prices, at the time, fluctuated to an extent that I would describe as indecent, if I may be pardoned the phrase. Some farmers were buying hogs 4 to 5 weeks old, when prices were running between 35 and 40 cents, in the hope of selling them at the same price; but, when the time came to sell them, prices had dropped to 23 cents, with disastrous results for many of our breeders. Such was the situation facing our farmers when the government of the Right Hon. John Diefenbaker came to power. At present, the price of hogs is at a minimum, I'll grant you that. This is understandable, since hog breeding has developed in an extraordinary way in Canada. Therefore, we are glad that prices have remained stable and that the United States are there to absorb our surpluses in that field. The situation will probably remain the same with minimum prices, for we must necessarily face the situation as it is now. We are glad that prices remain reasonably fair, because at the present time the United States are still importing our surplus quantities.

With regard to an important point referred to the other day by the hon. member for Provencher (Mr. Jorgenson) when he spoke of what he called... vertical integration—I apologize for having hesitated over that word —I fully agree with his remarks.

I believe, Mr. Speaker, that the difficulties we are experiencing in the sale of pork, and which seem to be extending to poultry as well, are the result of the purchasing policies of certain firms, but mainly stem from the fact that certain firms dealing in feeds strongly insist that farmers get organized to practise what is termed speculative raising.

Mr. Speaker, I caution our farmers against this danger, and urge them to retain their independence. I would hate to see our agricultural class play into the hands of firms that are more concerned with their own interests than with the interests of our farmers. I urge our farmers to remain free, and should they decide to go into speculative raising, I remind them that this represents an initial

outlay of about $5 for a heavy grade turkey, quite a considerable investment for a type of raising that has almost reached the point of saturation. Before going into speculative raising on such a large scale, they must first seek out sure markets where their products will be purchased at a reasonable price.

Mr. Speaker, may I also take this opportunity to express special congratulations to the hon. member for Montmagny-L'Islet (Mr. Fortin), who has made one of the best contributions to the Union Nationale—

Some hon. Members: Oh, oh.

Mr. Lahaye: —to national unity. I said that on purpose, to provoke a reaction from our friends opposite. I am quite pleased at having done so, because they have paid one more compliment to the government of my province, as well as to the Conservative government, because when a government is not worth criticizing, it is proof that it is hardly worth anything.

I have special congratulations for the hon. member who had the honour to second the address in reply to the speech from the throne. He made the finest contribution possible for national unity, as we, the Conservatives, understand those words: the perfect union of two great races whose best qualities we choose, in order to make a united and strong nation. I congratulate him quite sincerely for his great contribution to national unity.

Mr. Speaker, I wish to take a few minutes of my maiden speech to speak briefly about my constituency. The constituency of Champlain, Mr. Speaker, bears an historical and symbolic name. Last summer, in Quebec city, we had the pleasure of celebrating the third centenary of the arrival of Samuel de Champlain and of the foundation of the city. I wish to talk about Champlain constituency because the name of Champlain has not come up for many years. I will speak objectively, reasonably and fairly. Champlain constituency, Mr. Speaker, is on the north shore of the St. Lawrence, overlooking the city of Three Rivers and extending east. You will understand, Mr. Speaker, how proud I am to be located so close to the heart of the province of Quebec, and the outpourings of a generous heart necessarily overflow on the neighbour constituency.

The Champlain constituency takes up about 30 miles of the north shore of the St. Lawrence. It is a very promising place from an industrial standpoint. I should like to give an obvious proof of this in saying that the city of Cap de la Madeleine, particularly well known to Catholics, because of its pilgrimage shrine, has nearly doubled its population in the last ten years and that new industries are being set up there constantly. I am convinced that, with transportation facilities, the quality of the soil—although I am not a geologist—and the advantage resulting from its proximity to the St. Lawrence river, that city is bound to develop rapidly and I think that before long some industries will move east to Champlain, Batiscan and Ste. Anne de la Perade parishes, the latter being a large village already boasting of a few industries.

Though I am not much of a prophet, I expect that in the future, the constituency of Champlain will develop as a great industrial district. And I see no reason why the St. Lawrence, whose channel runs particularly close to the shores of my constituency, should not give rise to considerable development.

This is not to imply, by any means, that the constituency of the Minister of Mines and Technical Surveys (Mr. Comtois) will suffer from it. I also hope the Solicitor General (Mr. Balcer), whose constituency of Three Rivers is next to mine, will not feel jealous because of developments taking place to the east. I think I am realistic enough to be allowed to touch upon these matters.

I foresee for the constituency of Champlain, where the deep water channel nearly touches the shore, the early development of all kinds of industries. Those lands cannot conceivably remain farm lands. I also think I can state—although this is somewhat more difficult—that soon winter navigation on the river will develop, and that, probably, the cities of Three Rivers and Cap de la Madeleine will become terminal harbours for winter navigation. Again, I say this without prejudice to the hon. members for the ridings situated below Three Rivers, as well as those from Montreal ridings.

However, I honestly believe it will always be hard, especially in the wintertime, as we can see this year, to cross Lake St. Pierre, a sea of still water, a widening of the St. Lawrence river, 20 miles wide, where there is no current. For this reason, I feel that even if the suggestion is disregarded regarding winter navigation as far as Montreal, except in a case like this year when severe cold has held up ocean-going vessels, it

would be easy in ordinary times to extend winter navigation as far as Three Rivers, which would result in further expansion.

This brings me to the present situation concerning navigation. I am familiar with this subject because many navigators come from my constituency of Champlain. There are some 500 navigators in my riding and certain problems are of special concern to them. In the first place, inland navigation, according to them, should be left specifically to our Canadian fleet. It is obvious that an ocean-going vessel can certainly carry a shipment as far as Fort William, Chicago and Milwaukee, in the United States, but in my opinion we should also control coastal shipping, inland navigation, so that it would remain in the hands of Canadian ships and Canadian companies. Maybe a lot will have to be done before applying this principle all down the line, but I believe an attempt should be made to carry it out.

There is also another situation I am particularly interested in. While I was reading the papers recently, an article caught my attention; perhaps it will be gratifying for my hon. friends opposite to hear that I read it in *Le Devoir* of Saturday, January 24 last. It dealt with a protest made on behalf of pilots, with regard to a statement reportedly made at a meeting of the Dominion Marine Association and of the Lake Carriers Association of the United States, in Ottawa, when opposition was made to the compulsory payment of pilot fees to the Pilots Association of the Montreal and Quebec area, and it was suggested that almost anyone could do the job. I am quite familiar with the usefulness of this association, since many pilots in my small community belong to it. To become a pilot in the St. Lawrence river, a sailor has to go into apprenticeship for at least ten years, and then work many more years as an apprentice. Therefore he does not become a full-fledged pilot until he is almost thirty. In my opinion, such a training is necessary. As a matter of fact, if there is any important profession, it is that one, because pilots are responsible for a ship worth 3, 4 or 5 million dollars. I fail to see how the helm of a ship could safely be left in the hands of a man who never learned from experience how to steer a ship in a channel which is hardly more than a ditch, which a navigator has to know like he does the palm of his hand. I do not think any inexperienced person should be allowed to pilot a ship on the St. Lawrence, where there is danger not only for the ship itself but for the other ships it might meet. It is somewhat like the granting of a licence to a car driver. No licence is granted to a ten-year old child; but it will be to someone who has given evidence of his ability to drive. All the more care should be taken when a million dollar ship is at stake.

Allow me also to make a suggestion with regard to piloting between Montreal and Kingston. Some six or seven pilots in my constituency work in the Montreal-Kingston area, and they complain that they do not enjoy the same benefits as those enjoyed by the pilots of the St. Lawrence, from Montreal to Three Rivers and from Three Rivers to Quebec. I agree there is no obligation to employ licensed pilots. Most ocean-going vessels hire pilots, but there is no rule requiring ship owners to employ licensed pilots. I am aware of the particular difficulty involved due to the fact that part of the waterways is American. Besides from Cornwall to Kingston, arrangements would have to be made with the U.S. government in regard to those pilots. Just the same, it remains a fact that from Montreal up to the approaches to Cornwall, it should be easy to grant our pilots in that district the same status and the same guarantee as those enjoyed by the Montreal pilots. Therefore I would ask the Minister of Transport (Mr. Hees), a far-sighted man, to do all he can and give serious consideration to the problem.

Mr. Speaker, from the beginning of the session I have heard speakers of opposite parties making nebulous speeches and constantly chiding us claiming that the country was going down the drain. Allow me to say that had the opposition represented the situation more truthfully and realistically, we would not have been forced to make optimistic speeches in order to balance the picture. For two hours the Leader of the Opposition twisted the statistics and the reports in an effort to extract facts showing that under the present government, everything is going to pot. I realize that this is a method of practising politics, but to me it is definitely too one-sided. And I am most sincere in saying that such theatricals are apt to discredit him and to sow the seeds of uncertainty among the Canadian people. Fortunately, we are getting used to such pictures, and they make little impression. Still, there is quite a contrast

between their speeches made before the 1957 election and their speeches today. At that time, they would promise general and practically eternal prosperity, whereas today everything has changed overnight. Today, they show constant pessimism, an attitude that I think is dangerous and unhealthy.

Mr. Speaker, we hear statements from the opposition to the effect that this government has done nothing to relieve unemployment. Preposterous! I say to the hon. members of the opposition, what about the $500 million which were released to the Central Housing and Mortgage Corporation in order to promote housing, to say nothing of the additional funds invested by loan companies as a result of this measure? What about the 200,000 additional workers—and that is a conservative estimate, in the original sense of the word—who found employment this winter as a result of the winter building program?

Mr. Speaker, you cannot be completely realistic and say that nothing had been done in this field.

Post offices are now under construction. It may look like quite ordinary things to you, but if I take a look at my riding,—I do not pretend to be a national administrator, even though I am that as a member of parliament,—I notice we have now a post office under construction. In fact, this very winter, a large dock will be built, for which tenders should be called very soon.

Construction in Cap de la Madeleine is substantial. We even notice a considerable increase over what it was last year.

I could mention many other works, but my time is limited.

Gentlemen of the opposition, instead of looking at things in this manner, instead of spending your time blackening the situation,—on purpose, I believe,—try to be reasonable. Give the true picture of the situation, stop looking for the worst, just for the sake of darkening the picture.

Mr. Habel: What are we going to say to the unemployed of the country?

Mr. Lahaye: Try to find the good points of the situation—

Mr. Habel: Tell me, what are we going to tell the unemployed?

Mr. Lahaye: We are considering this very important problem, but you should also admit that this government has done plenty to improve the situation.

[Mr. Lahaye.]

Mr. Habel: Not enough!

Mr. Lahaye: I read in the January 23 issue of the *Gazette* an item entitled: "Newsprint Output Shows Late Pick-Up", which says that last December paper production was 476,232 tons, while in December 1957, it was only 435,269 tons. There is an evident increase of about 41,000 tons and, to avoid criticism by the members of the opposition, may I say that the increase amounts to exactly 40,963 tons.

I could also mention a paper mill of my constituency, which, up to the end of 1958, gave its employees only 6 hours of work a day. Since New Year's day, the regular employees of the same mill have been working eight hours a day. That is another indication that conditions are improving in the paper industry. The situation there had been somewhat uncertain in the last few years owing to a 14 per cent decline in the economic activities of the United States, who are major importers of paper. This situation is steadily improving and if we look around we can find obvious signs of economic recovery.

Mr. Speaker, I am one of those who believe that the present situation is in no way tragic. When there was a 14 per cent decline in United States economic activity I dare say that Canada, through an efficient Conservative government, got by with a decline of only 7 per cent. We now have sure indications of an economic recovery and as did other qualified persons, I ask our manufacturers, our businessmen, to take part in it. This is not an abject supplication; it is a rational and normal request. I therefore ask manufacturers and businessmen to carry out, and at once, aggressive construction programs that will be of greater help in improving the situation.

Mr. Speaker, I am not afraid to state that a young and strong country like Canada with competent and progressive leaders, enjoying a sound financial situation, will have suffered only a temporary delay, a consolidation of the prosperity realized in the past and in which the previous government has reasonably taken part in spite of its faults. I do not doubt that Canada will keep achieving new successes, and a degree of prosperity that cannot fail to be hers in the future.

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like, as the previous speakers did, to congratulate the

movers of the address in reply to the speech from the throne (Mr. Jorgenson and Mr. Fortin).

I wish also to congratulate the hon. member for Provencher upon the way he spoke as well as upon his knowledge of farming.

I must also congratulate the hon. member for Montmagny-L'Islet for his contribution to national unity, which the greatest prime ministers since confederation have worked to achieve. I am referring here to Laurier, King and St. Laurent.

Mr. Speaker, in the province of Quebec a deplorable situation has been prevailing for almost four weeks in the relations between the Canadian Broadcasting Corporation and its producers. Feelings run high and the whole population depending on the French network feels concerned and remains unaware of the facts.

The Minister of Labour (Mr. Starr) claims he cannot intervene, although, as pointed out by previous speakers in this debate, section 56 of the Industrial Relations and Disputes Act states as follows:

> The Minister may either upon application or of his own initiative, where he deems it expedient, make or cause to be made any inquiries he thinks fit regarding industrial matters—

Another cabinet member, the Minister of National Revenue (Mr. Nowlan), who reports for the C.B.C., stated emphatically that this strike was illegal. This strike is illegal, he said, and no more. He did not prove his statement. Is it not strange to hear such irresponsible talk coming from the Minister of National Revenue on so serious a matter? He should be more adept at footwork. He should learn how to do some footwork as some of his colleagues do.

An hon. Member: As you do.

Mr. Tremblay: Expert at footwork.

Mr. Racine: The hon. member for Roberval is again being heard.

Mr. Boulanger: If the hon. member for Roberval (Mr. Tremblay) has any question to ask, I am prepared to answer it.

Mr. Tremblay: I put questions only to reasonable people.

Mr. Boulanger: Mr. Speaker, I want to tell the house that, since the beginning of this session, the hon. member for Roberval has been heckling, which shows that his political education could have been acquired only at the Duplessis school.

It is also the Minister of National Revenue (Mr. Nowlan), together with the Minister of Citizenship and Immigration (Mrs. Fairclough), who gave us a fancy footwork exhibition, which nobody had asked for, when they stated that *O Canada* was not our national anthem, but a pretty song. Those two ministers have displayed their narrow-mindedness in thus riding rough-shod over the ideals of all right-thinking citizens of Canada. And they did the same thing to the Canadianism for which we have been fighting for so long. At the same time, they subjected all Conservative members to ridicule for none of them protested.

Mr. Speaker, it is equally strange to notice the courteous attitude taken by the government with regard to the settlement of the dispute which occurred between Canadian National employees and the management of that company. Everyone knows that the cabinet, even though the Prime Minister was away on his world tour, took the initiative of settling the question by promising an increase of 17 per cent in transportation rates, an increase which now affects the whole population and especially the farmers. The Prime Minister seems much more prone to settle commonwealth problems than those existing within this country. If he does not want to intervene, or if he does not authorize his ministers to act, so that the dispute may be settled favourably for both sides, they shall have to do so in a more humiliating fashion in the near future.

The people served by the C.B.C. French network are beginning to feel annoyed at paying taxes for a service which has already cost so much money.

Mr. Speaker, I will in the course of my speech, talk about another matter which is of concern to the population of Ontario and Quebec in particular, and more particularly to people in the province of Quebec: that of the textile industry.

I would have liked to deal with farm problems, but I believe that the problem of the textile industry is more important at this time. However, may I inform the Minister of Agriculture (Mr. Harkness) that, time permitting, I will have a few words for him at the end of my speech. Last year, the house had quite a debate on textiles when the matter of tariff on imports of woollens and of the anti-dumping legislation came up. Unfortunately, being in hospital at the time, I could not take part in that debate.

At the time, the Minister of Finance (Mr. Fleming) and several members on the government side went all out in their attempts to show that the slump in the textile industry of Canada was due to the Liberal party. The Minister of Finance had this to say. I quote from page 3470 of the *Hansard*:

I have stressed that this problem was not our creation. This was one more of the problems to which we have been heir when our predecessors—our do-nothing predecessors—went out of office. Surely the textile industry and the tens of thousands of Canadian workers in that industry are entitled to receive some intelligent understanding of their problems and some sympathy in the light of their difficulties.

And later, he said:

This industry deserves something more than words and it will require more than words to meet its needs.

We were all anxious to know the magic formula that the Minister of Finance would use to restore that industry to its original strength. This formula was a 2 per cent tariff increase on woollen goods, which means, in practice, an increase of 15 cents in the cost of woollen goods used in the manufacture of clothes, and an increase of about 25 cents in the cost of material used in the manufacture of an overcoat. These were the words the Minister of Finance used to indicate that the consumer would not be really affected by this increase and that the textile industry would be saved. He had just saved the country's textile industry; the workers would henceforth have jobs; gone would be the days of unemployment in the cities of the eastern townships, and in cities with textile plants.

How far can the Minister of Finance go to mislead the people, and to have them believe that he has done wonders for the textile industry?

The government has the same attitude as it had during the election campaigns of 1957 and 1958. We were told that the Conservative government, once in office, would settle the problem of the textile industry. The Minister of Finance himself came to Quebec to say that a vote for Conservative candidates was a vote for a solution to the problems of the textile industry.

The Prime Minister, at certain points, and in preparation of his election campaign wrote in 1957, in the textile industry manual, the following comments:

(Text):

It is a complete indication of what the industry's spokesmen have been saying for a very long time and particularly in the past few years when you had special reason to ask for a better understanding of your needs and problems.

[Mr. Boulanger.]

(Translation):

In the course of that debate last year, the member for St. Hyacinthe-Bagot (Mr. Ricard) quoted figures to prove that it was the fault of the Liberal government that the textile industry was in a slump. He added the following words, which I quote from the *Hansard* of August 13 1958, page 3467:

While in 1930, that industry was supplying 71 per cent of the national consumption, in 1957 it got only 57 per cent of the domestic market, always under a Liberal regime. From 1950 to 1955, still under a Liberal regime, foreign producers were allowed to grab 43 per cent of our national consumption.

I must say that the figures quoted by the member for St. Hyacinthe-Bagot are meaningless, having no direct bearing on the primary or secondary textile industry.

He closed his remarks by claiming to represent the textile workers of St. Hyacinthe in thanking the Minister of Finance for the position he had adopted towards the textile industry.

Another member from the Eastern Townships, the member for Sherbrooke (Mr. Allard), also expressed his thanks, and I quote his words as reported in the *Hansard* of August 12 1958, page 3443:

Mr. Chairman, with regard to item 554B, I thank the Minister of Finance (Mr. Fleming) for accepting the Tariff Board's recommendation for a slight increase in the rate of this item. I also very greatly appreciate his stating, in his budget speech of June 15 last, his intention to amend the definition of the term "dumping" so that the value of the price of foreign products shall include production costs, and a reasonable margin for sale costs, carrying charges and profit.

As the present discussion relates to the textile industry, I take this opportunity of commending the Minister of National Revenue (Mr. Nowlan) on adding 40 more assessors to the staff of various customs offices in this country.

Again it is the hon. member for Sherbrooke who said in the house, on May 16 1958, as recorded on pages 175 and 176 of *Hansard*:

On discovering so much uneasiness and unemployment in our textile industry we must expose the profound and remote causes. Nothing satisfactory was done by the former Liberal administration since 1935, either to adjust the customs tariff or to prohibit the import into Canada of foreign products which flood our markets and paralyse production in our own industry. More especially, during the past 10 years, the former Liberal administration has been giving free rein to foreign competitors and, in a blind and improvident manner, has left our Canadian market at the mercy and whim of imports coming in from Japan, the Indies, Italy, England, West Germany and the United States.

What has happened since the Conservatives came into power? Has the situation improved? No, Mr. Speaker, the situation is worse than ever. The number of people

employed has been steadily decreasing and the volume of importations has been greater than ever.

There are facts and figures which are more eloquent than some honourable members' fine words. Let me quote some of them in order to prove that this government did nothing to better the lot of the textile industry in Canada.

I refer to our cotton primary industry. If we look into the Cotton Institute of Canada report we find that, for the quarter ending June 30, 1958, the share left to our industries in the production of cotton fabrics for our Canadian requirements is 43 per cent. That is the lowest level ever reached by that industry. In 1957, that share was 46 per cent; in 1956, it was 51 per cent; in 1955, 54 per cent. If we were carrying our enquiry further, we would find that the share then left to our industry was even greater.

In the first eight months of 1958, American exports in Canada increased 225 per cent compared with the same period in 1957, in regard to drill, twill, sateen, broadcloth, twilled cotton material, etc.

In fact, between those two periods, our imports from the United States increased from 6 million yards for the first eight months of 1957 to 13,528,000 yards for the same period in 1958.

The amount of imported materials during the last eight months is therefore much higher than during the twelve months of previous years.

The main reason, although not the only one, is the sharp increase of imported American materials on our Canadian markets, the entry into Canada of a great quantity of first quality American products that are passed as second quality products.

An investigation conducted among Canadian manufacturers who use the materials mentioned above, in the manufacture of garments, has shown that 50 per cent of the fabrics used in 1958 were imported into this country as substandard products thus enjoying the discount provided by the act, a discount reaching as high as 10 per cent, depending on the class.

I emphasize especially that the United States, to promote their sales on foreign markets, pay a premium to American mills which ship manufactured cotton goods to Canada on the basis of the raw cotton content of the product. The premium is approximately six cents a pound. The premium thus paid by the American government is a definitely unfair practice detrimental to our Canadian producers. It is a particular incentive for Americans who thus make more profit on their sales, or lower prices when competition gets too tough.

Other tactics sometimes used to a certain extent by American manufacturers consist in deliberately placing a piece of fabric of a different colour into a bale of some first quality material, thus contributing to lower its class and price, or in intentionally cutting a yardage into pieces of various lengths, acceptable to the buyer, thus making possible their classification into a lower category, and even including first quality pieces in the same shipment bearing the second quality label, always for the purpose of securing a lower excise tax rate or customs tariff.

Those practices are detrimental to our industry and to our trade; they are slowly destroying what is left of factories in this country and forcing Canadian workers into unemployment.

I read in a report of the Cotton Institute some comments which aptly describe the present situation:

> It is difficult to understand why Canada was required in 1957 to accept 67 per cent of all bedspreads exported by the United States, 64 per cent of all cotton towels, 78 per cent of all cotton drapes and draperies, and 34 per cent of sheets and pillow covers.
>
> The most tragic aspect of the situation is the fact that American exports to Canada are ruining the Canadian textile industries to the benefit of the United States factories, however insignificant and negligible such advantage may be to them. The 213 million yards of cotton cloth which the United States exported into Canada last year represent 77 per cent of the Canadian production, but only 2.5 per cent of the United States production. In other words, if the United States had not exported cotton cloth to Canada last year, the American factories would have lost only two hours a week, and Canadian factories could have increased their production by 75 per cent and paid $45 million more in wages and salaries to Canadian workers. If imports from the United States had been cut down by half, this would have meant a loss of only an hour a week in the United States cotton factories, but $22 million more in wages and salaries for these Canadians.
>
> The 22 million yards of processed drills, twills and cotton satin which will have entered Canada at the end of that year (1958) will have practically ruined this market for Canadian factories, but represent only 2¼ per cent of the 981 million yards of goods of these categories, produced in the United States.

(Text):

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

(Translation):

Mr. Boulanger: Mr. Speaker, I was saying before recess that last year, in the cotton

textile industry, employment has decreased by 2,700, that is from 21,300 to 18,600 on July 1st, 1958.

In the wool textile industry, there was a decrease of our manufacturers' production of 860,000 yards of fabric during the first six months of 1958 and a reduction of 2,000 employees, in comparison to last year.

This is another record that the government could inscribe in the annals of the Conservative party, worthy follower of the Bennett administration.

In the field of synthetic fibres, there was a decrease just as in cotton. According to the report of the Silk and Rayon Institute, our manufacturers' share for the first six months of 1958 was only 68 per cent of the production of commodities needed by the country while it was 70 per cent in 1957 and 74 per cent in 1956.

The number of employees, which was 15,900 on July 1st, 1957 fell to 14,400, a decrease of 1,500.

I have dealt with the primary textile production and I would like now to say a few words about the clothing industry.

Our greatest competitor at the present time is no doubt Japan. Our imports of any textile product except hats, was $8,812,000 in 1957 and for the first eight months of 1958 our imports had increased to $9,186,795. And for 1958, the estimated figure was $11,500,000, which is a 30 per cent increase over 1957.

All told, Mr. Speaker, the textile industry as a whole has reached its lowest level of activity ever recorded. Certain segments of the industry have already folded up under the pressure, and others will follow suit if adequate action is not taken to ensure the industry's survival.

The manufacturers—we can say this in fairness to them—have done their part to improve equipment and production methods so as to compete with other countries.

Workers have waived salary increases so that employers might hold out and keep the plants in operation. In fact, comparing average earnings of textile workers with earnings in various other trades requiring similar training and qualifications, it is found that an assembler in one of our automobile plants earns $1.94 an hour; an electrician, $2.24; whereas a weaver in the textile industry earns $1.36, and a carding machine operator, $1.24 per hour.

Neither the workers, who have endured great sacrifices, nor the employers, who have kept abreast of technical progress, are to blame for the dilemma with which the textile industry is faced. The matter of its survival now rests with the government, as was stated by Mr. H. Dobbie, president of the Woollen and Knit Goods Manufacturers Association. Another expert, Mr. Roy Crabtree, president of the Basic Textile Institute, recently stated that "the industry has done just about everything possible to help develop its own protection against this tremendous competition" from countries with low production costs. The industry must now look to the government to take remedial action.

This is what the mayors of Sherbrooke, Granby, Cowansville, Three Rivers, St. Hyacinthe, Richmond and Princeville are asking in the petitions sent by Mr. Marcel Marier, mayor of Drummondville, to the Prime Minister on February 11, 1958, and on January 12 of this year. It is also the request of the Eastern Townships Textile Association, sent by its president, Mr. J. S. Moynan, and its 130 directors and technicians, and the request also of the Chambers of Commerce of the region as well as other Eastern Townships organizations. These requests made by the population of the region I represent here are merely a consequence of the glittering promises made by the Prime Minister during the election campaign.

Mr. Speaker, I would like to go on, but I am told that my time is up. May I say in conclusion that the confusion in which the government finds itself becomes increasingly intolerable for the public in general, and especially for those who are interested in the textile industry. If the government does not renounce this policy of confusion and announce a more definite one as soon as possible, in this regard, I intend to come back on that matter at each opportunity that I will have during this session to remind him of the fine promises he made to the industry for the sole purpose of having its term of office renewed.

(Text):

Mr. N. L. Spencer (Essex West): Mr. Speaker, as I rise this evening to make my first contribution to the debates of this house I should like first of all to associate myself with all the felicitations extended to you, sir, during the first session of this parliament and again this session, and with all the expressions of confidence in your ability and high sense of fairness and impartiality while presiding over the deliberations of this house. One of the first experiences I had when I

came to Ottawa and visited one of the offices in the Senate side of the parliament building was to be greeted as Mr. Speaker. Having previously heard and read about the esteem and high regard in which you are held by all hon. members I must say I was greatly flattered and not a little startled and it was with considerable reluctance that I disillusioned the gentleman who had addressed me in this fashion.

I also wish to congratulate Mr. Deputy Speaker and the deputy chairman of committees of the whole house upon their appointments and to extend to them my sincerest good wishes.

I must also with a deep sense of regret and sorrow join with the Prime Minister (Mr. Diefenbaker) and the leaders of the opposition parties in the tributes they paid to Mr. Val Yacula and Mr. Edward Lockyer who since the last session have passed on to their great reward. It is not possible in a short session to become personally acquainted with the members of this house as one would wish to do but it happened to be my good fortune to have become well acquainted with both of them and for that reason news of their deaths came to me as a great shock. I express to Mrs. Yacula and Mrs. Lockyer and to their families and relatives my sincere sympathy.

Next I should like to congratulate the four hon. members who took their seats in this house at the opening of this session on January 15 upon their election as representatives of their respective constituencies.

Likewise, I offer my congratulations to the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne. Despite what has been said in this house, the selection of these hon. members to perform this traditional function was a happy one, indeed. The hon. member for Provencher as everyone knows is a native-born Canadian and a descendant of Norwegian and Swedish parents. This is just another factual indication of the truly national aspect of the Conservative party which embraces Canadians of almost every ethnic origin and is also a demonstration of the phenomenal extent to which immigrants to Canada have contributed to the growth and expansion of our great country. It also points up the opportunities that prevail in Canada for Canadians of all national origins to have a voice in and to make their contribution to the conduct of affairs of our country. No longer do we have second-class citizens. There is equality of opportunity for all regardless of ancestry and this is as it should be.

The hon. member for Montmagny-L'Islet is also deserving of very great commendation. His selection to second the motion, and more important still his speech, evidenced the tremendous strides which have been made under the present government toward national union of all of our people of diverse racial origins. As he so appropriately mentioned, one-third of our population today is of neither French nor English origin. It was reassuring and refreshing indeed to hear from his lips, expressing as he did the point of view of his compatriots in the province of Quebec, that national unity, about which there has been so much talk over the years and so much credit unjustifiably claimed by the Liberal party, is now under a Conservative government a reality. The creed he cited and his impassioned appeal to all our people to make that creed their own was indeed a heartwarming and patriotic plea.

Mr. Speaker, may I be permitted to speak for a few minutes about my own constituency of Essex West. It comprises the major portion of that dynamic city of Windsor and all of the contiguous township of Sandwich West. It is the only Essex riding almost entirely urban in character. The rural areas of Essex county are generally speaking about equally apportioned between the constituencies of Essex South and Essex East. Until the last election no Conservative had been elected in Essex West since 1930.

Statistics are usually boring and uninteresting and for that reason I shall not unduly burden the house, but there is much about the city of Windsor and its environs that is not generally known and certainly not fully appreciated. The latest statistics I have available were compiled by the Windsor chamber of commerce as at August 1 last. I shall at this point refer rather extensively to the data thus acquired. Windsor is Canada's largest city on the United States-Canada border and situated on the busiest waterway in the world. During the 1957 season, a period of 282 days, vessel passages in both directions upon this water totalled 20,642 or 73 vessels per day, or one vessel every 20 minutes, carrying a total of over 130 million tons of cargo on this waterway. There were ships of great length, as long as 729 feet, carrying iron ore, coal and grain through this great inland water route of the great lakes system.

It is a geographical coincidence that in Windsor we are south of the United States and between Detroit and Windsor there cross in both directions each year over 17 million persons, close to 5 million of whom are United States visitors to Canada. The metropolitan population of Detroit alone is 3,670,000. Windsor is one of Canada's great industrial communities, manufacturing a wide variety of products in 475 industries. Only four cities in Canada produce more than Windsor. Windsor's selling value, according to statistics of the dominion bureau of statistics, in one year was $474,634,000.

During the past year there has been a monthly average of 36,148 employed in Windsor industries. While Windsor is well known for automobile manufacturing, and I mention the products of Chrysler Motor Corporation, engines and parts of the Ford Motor Corporation and engines for General Motors Corporation, it produces many other products such as a wide range of pharmaceutical and other nationally advertised products, one of which I may mention, namely Walker's Canadian Club, an industry of which we are very proud and which provides year-around employment for many, many people in our city.

According to official estimates for 1958, Windsor is also fifth in Canada, according to volume, in capital investment in new industrial construction, machinery and equipment. The figure for one year, 1958, was $30.1 million. An annual average of 1,282 new homes have been built in Windsor during the past four years. The area is also well served by five main railroads and one terminal line, the trans-Canada network airlines and adequate highway transportation facilities.

Windsor, too, is determined to realize every advantage of the St. Lawrence deep waterway after it is built, which now provides great lakes transportation. With all recent improvements costing $9.37 million, Windsor has the second lowest per capita gross debenture debt in Ontario, according to the latest available statistics. Windsor has completed the construction of a municipal courts building and has started plans for development of over 1,200 feet of river-front property in the downtown area where there will be initially erected a civic auditorium and a convention hall. The Hiram Walker historical museum was opened on the site on May 7, 1958. Now completed is the new city hall to be fronted by an esplanade extending to Riverside drive. We also have the best facilities for education and a university, Assumption university of Windsor, with Essex, Holy Redeemer, Holy Name, Canterbury and University colleges as affiliates.

Perhaps I should also say something about the county of Essex. Windsor and Essex county, together having a population of 246,000, enjoy the news services of an outstanding Canadian newspaper, the Windsor *Star* with a circulation of over 78,000, ten weekly newspapers, radio stations CBE, CJSP and CKLW, and television station CKLW-TV, the most powerful television station on the North American continent, with an approved rating of 325,000 watts.

Windsor's industry is well balanced with a prosperous agricultural community well known as the sun parlour of Canada where 33 different fruit and vegetable crops are produced. Because of the favourable climate, with an average winter high of 35 degrees and a low of 27 degrees, an average summer high of 78 degrees and a low of 58 degrees, and a long growing season averaging 171 days, the county produces fruits and vegetables which reach market one to five weeks earlier than any other area in Canada. The farms of Essex county have a higher per capita production than anywhere else in Canada.

I should like to make some particular observations with regard to our industrial workers. A survey made by the Battelle memorial institute on the economic development opportunities of Windsor reveals that no Canadian metropolitan area is as dependent upon the manufacture of one type of commodity for its well-being as is Windsor upon the automotive industry. Consequently when economic factors adversely affect this important industry the people of Windsor suffer in direct proportion thereto. Furthermore, when government fiscal policies place a further handicap upon the industry by way of a special excise tax, insult is added to injury and our people suffer to an unjust and disproportionate extent. That is why we in Windsor over the years have appealed to the Liberal government of the day time and time again but without marked success to remove what must be recognized by all fair minded people as a rankly discriminatory tax against one segment of our economy.

I shall return to this topic later but the point I want to make at the moment is that one of our greatest assets in the greater

Windsor area is our industrial workers. In the past as in the present we have had in the area a heavy concentration of industry and because of that, we have a manpower pool of workers and technicians possessing mechanical skills and talents to a greater extent, relatively speaking, than anywhere else in Canada. They are, taken at large and despite some beliefs to the contrary in some quarters, fine, intelligent well-informed and conscientious citizens, and I am proud of them. It is true that our people are perhaps more unionized than in other communities. It is also true that our union leadership leaves much to be desired. Our municipal authorities in years past have also contributed to much of our industrial strife. But those are all things of the past. We have today a healthy industrial climate and, generally speaking, good labour-management relations. In 1957 there were no man days lost in Windsor's automotive industry due to strikes.

Another point I should like to make is that our workers do not submit to dictation or domination by their political leaders. I think perhaps that is general across the country. The Windsor political action committee, which professes to speak for labour and endeavours to control and direct its voting, has over the years endorsed the candidates of the C.C.F. party. On occasions in the past it has had a measure of success. In the last two federal general elections in 1957 and 1958 an intense and concerted effort was made to swing Windsor labour to the support of the C.C.F. party. They concentrated their efforts upon Essex West possibly because there appeared to be little hope of defeating the deeply entrenched hon. member for Essex East (Mr. Martin) who had been given in 1953 one of the largest majorities in Canada.

They selected a well-known formidable candidate and experienced campaigner, he having been a city alderman, and undoubtedly the strongest candidate they could find. What were the results? In 1957 he secured almost 22 per cent of the vote and running again in 1958 secured only 19 per cent and made the usual contribution to the country's exchequer. No, labour by and large supported the Conservative party and I agree with an observation to that effect made by the hon. member for Stormont (Mr. Campbell) during the last session. But, Mr. Speaker, I must be excused for correcting his statement that in the last election labour in Windsor supported the Liberals. I would not be here today were it not otherwise.

Let us take a look at what happened in neighbouring Essex East. The hon. member for whom I have the highest regard, as he knows, must surely have been shocked and must have suffered qualms of trepidation when the returns came trickling in and he saw his huge majority of 1953 dwindle away and his percentage of the vote drop from 67 per cent to the minority percentage of 42.

An hon. Member: Shame.

Mr. Spencer: I am not habituated to provoking controversy, as the hon. member for Essex East knows, but I do say that he can be thankful indeed and he must be most grateful to the rural areas of his riding which gave him the modest majority that enabled him to stand off the tremendous surge of the Conservative candidate, Mr. Roy Hicks, a labour man himself with whom I was proud to be associated in our campaign in the city of Windsor. My hon. friend should give an assist, I believe, to the Leader of the Opposition (Mr. Pearson) who came to Windsor in the dying days of the campaign to save the crumbling ramparts of his party stronghold and rescue the hon. member from enforced retirement. It is well for the Liberal party that the leader did, because the hon. member for Essex East for whom I say again I have the highest regard as he knows, would be sorely missed in this chamber. He is undoubtedly the most effective debater on the opposition side—

Some hon. Members: Oh, oh.

Mr. Spencer: I said on the opposition side—and heaven knows, they need him badly.

I should like now to return to the excise tax on automobiles. This tax was originally imposed as a wartime expedient, and I do not quarrel with that. However, there is no basis for its retention in peacetime. It has not been completely removed since the last war, and it should never have been increased by the Liberal government in 1947 to 25 per cent. On March 23, 1949, it was reduced to 10 per cent, and the record since then is as follows: On September 8, 1950, it was increased to 15 per cent; on April 11, 1951, it was further increased to 25 per cent; on April 9, 1952, it was reduced to 15 per cent; on April 6, 1955, it was further reduced to 10 per cent. On December 7, 1957, the Conservative government under our esteemed Prime Minister further reduced the tax by one-quarter to 7½ per cent. I congratulate the government upon this action, and I urge the Prime Minister and his colleagues to give favourable consideration to a further reduction and the eventual elimination of this tax at the earliest possible date compatible with the needs of the economy.

The hon. member for Essex East, and the former member for Essex West failed dismally

to sufficiently espouse the cause of their constituents, while they were supporters of the Liberal government, to see to it that this discriminatory tax was removed at a time when additional tax revenue was no longer required for government operations.

A few months hence a period of daylight saving time and confusion will begin. Some municipalities will adopt daylight saving time while others will refuse. Some areas will move their clocks forward at one time, and others at another. Some will return to standard time later than others. A traveller will never be sure until he arrives at his destination and sees a clock whether he is an hour ahead of time or on time or an hour late for his appointment, or whether the places of business are open or closed. This could be quite disconcerting if, after a long day's drive, the vendor dispensing liquid refreshments should be closed. All in all, it is so confusing and needless.

During the war we quickly ended this nonsense. We decided that daylight was worth saving. A federal regulation switched the whole country over and back again simultaneously. There was a minimum of confusion, and no one seriously complained. Why should it not be done again? Surely there can be a happy medium struck between the conflicting time changes and an end to this annual muddle and perplexing state of confusion. I urge the government to give serious consideration to the removal of this annoying and unnecessary period of uncertainty.

I should like now, in the few minutes at my disposal, to speak very briefly of the unemployment situation in general and that pertaining in Windsor in particular. The favourite theme of the Liberal party has been unemployment and from the speeches and comments of the opposition, particularly those of the hon. member for Essex East, one would conclude that unemployment is a tragedy which only descended on us in the last year or two since the present government took office. Of course, this is just plain nonsense. It would be ludicrous if it were not for the fact that we on this side of the house are genuinely disturbed about the ill effects of the economic recession, and the government has shown its concern by taking effective action to alleviate the situation. I am not going to review the measures taken by the government as I would be repeating what has been said in this house and, in any event, they are well known.

What I want to stress, however, is that we had a serious unemployment problem before the present government took office. I have before me a report on unemployment as recorded in the Windsor office of the unemployment insurance commission since the beginning of 1953. Without going into details, the record certainly reveals a need for action to stimulate the economy. I have made a search, and I can find nowhere the advocacy by the hon. member for Essex East in this house, while he was a member of the government, of the elimination of the excise tax on automobiles in order to stimulate the sale of automobiles throughout the country and thus create jobs for our unemployed in the city of Windsor. The then member for Essex West was obviously aware of the situation because I found recorded an inquiry of the minister of labour as to whether anything could be done to rectify the serious unemployment in Windsor. This was on February 7, 1957, at a time when it was becoming embarrassing in view of the expected general election.

What remedy did the government provide for our people? Sometime in May an announcement was made that the moving expenses of our unemployed would be paid by the government if they could secure employment elsewhere. This was the cure for our ills prescribed by the former minister of labour.

In conclusion, I should like to contrast that record of indifference and neglect of the mounting unemployed rolls with the record of the present government. There was an immediate appreciation of the gravity of the economic doldrums into which the former government had allowed us to drift and a program of remedial measures was initiated and since pursued with vigour, the beneficial effects of which are now revealed in the upswing which has begun. The people of Canada made a wise decision when they turned out the former government before conditions became irremedial, because under the leadership of this government and our Prime Minister we can go forward with confidence and optimism toward a more prosperous and still greater destiny.

(Translation):

Mr. J. O. Gour (Russell): Mr. Speaker, before I deal with the subject of my remarks, I want to congratulate you on the ability and the integrity that you have shown during the last session and during this one. I also congratulate your deputies, the hon. member for Longueuil (Mr. Sevigny) and for Spadina (Mr. Rea) who quite capably acquitted themselves of the difficult task of presiding over the debates of the house.

It is also with pleasure that I join with those who, before me, congratulated the mover and seconder of the address in reply to the speech from the throne (Mr. Jorgenson and Mr. Fortin).

I am very happy to support the leader of the official opposition (Mr. Pearson), an honourable and distinguished gentleman who is

known and respected by all the nations of the world. I support his motion of non-confidence concerning the way the affairs of this country have been administered by the Conservative government for the last 19 months. What has been the result of that administration? There are 750,000 people looking for jobs, which means that about 3 million of our fellow citizens are living in worry, misery and discouragement in a country of 17 million inhabitants. Nearly 18 per cent of our population, if we take into account only those who are unemployed at this moment, are in a sad plight indeed. How many more will be added to this number from now to next May?

Inflation has affected at least 6 million individuals with fixed revenue, that is pensioners, small wage earners, small merchants and farmers. These people are discouraged and lack the necessary money to buy the bare necessities. There is at present a slump in business from one end of the country to the other, and when we refer to those facts we are branded as defeatists.

What have you done, my friends of the Conservative government, since 1957? You have spent the surplus, $350 million that the Liberal party had accumulated in 1956 and 1957. You have shown a deficit of $50 million for the administration of 1957 and 1958. Furthermore, you have spent about $300,000 belonging to the unemployment insurance fund; you have shown a deficit of several million dollars for old age pensions, and probably a deficit of a billion dollars for the administration of 1958-1959. This is not too bad! What good administrators you are! The country was in full prosperity when you took power, when everything was going fine. In fact, the situation had never been so good, with the exception of the slackening of business which always occurs during the few months preceding a general election. It is not extraordinary for our country; this slowing down lasted only a few months, but in the United States it is felt for three or four months before each general election. Compare yourselves to us, Liberals, who had to take charge of the administration of the country in 1935. At that time most Canadians were in bankruptcy. It took but five years of a Conservative administration, from 1930 to 1935, to plunge the country into debt and to take it to the brink of bankruptcy. We will soon find ourselves in the same economic difficulties if, by mischance, you stay in power for five years. The situation will get worse. This is what happened between 1931 and 1935, as I just said, and I should know because I was in business then. Two thirds of our farmers were under the Farmers' Creditors Arrangement Act or were going to be so placed; otherwise, they would have lost their farms. Three out of five general stores in my village of Casselman went bankrupt and their owners lost all their personal property. I survived, but not without struggle and hardship. I was mayor of my town from 1931 to 1934; three quarters of the people were on relief; across the whole country, thousands of municipalities were bankrupt and under trusteeship of provincial governments. In my constituency there were four such towns, including the beautiful and prosperous city of Eastview, which since then has grown about one hundredfold. It is not, at the moment, under trusteeship of the government.

And you, hon. Conservative ministers and members, have the gall to ask us, here in this house: what have you Liberals done during your 22 years at the head of the country? As, apparently, many of you have a poor memory or are too young to know what we did during those 22 years, I shall recall a few facts. However, it would take over a week to mention everything we did to make the country prosperous, as it was when you took office in 1957.

I described a moment ago the situation existing in 1935, in the municipalities, in the provinces and for individuals, but I said nothing of salaries which were paid at the time by the Conservative government. A certain amount of preliminary work had been started for the construction of the Rockcliffe airport, and a kind of concentration camp had been set up, where men with families were paid two cents an hour, ten cents a day, that is 20 cents or $1.20 a week for 60 hours of work. Those men were fed and were supplied with overalls, but when the overalls were worn out, the men had to spend a week's salary on a new pair and two week's salary to buy a pair of shoes, or a pair of mittens. Just imagine how much was left to support their family!

Mr. Speaker, I know there are other members who wish to speak after me. I could speak for fifteen days on end about my leader's motion, and I may add that I have many suggestions to make to you. In fact, I could write a 100-page volume of suggestions which you never even considered. As early as August you should have called a conference of the provinces and the municipalities to devise a plan, and not wait until October or December. In fact, you should call a conference in June at the latest, in order to prepare the winter program, and another one in October in connection with the summer work.

What have you done to curb inflation which is mainly due to the conversion of bonds which bore 3 per cent interest, and which you raised to 4½ per cent, and, which now nobody wants? It is so true that I tried to sell mine this morning in order to pay my debts, because everything has been in a bad way ever since the Conservatives began to run the country's business. And do you know how much I was offered for bonds falling due in 1979? I was offered exactly $82.50 for one bond of $100.00, which means that I must take a loss of $17.50 for each $100.00 if I want to pay my debts.

Not so long ago, an interest rate of 3 per cent was considered a good return. But since the Torys came to power, what is it worth now?

Mr. Speaker, I am sorry that time does not allow me to deal with other matters. However, I intend to resume later. I think I have made enough practical suggestions to the government to have the right to refresh the memory of those, and especially young men like you, who do not seem to have experienced the effect of the thirties, under the Conservative administration. Canadians need three meals a day, and perhaps you do not remember the days when many of my voters had to be satisfied with only one.

(Text):

Mr. A. R. Smith (Calgary South): Mr. Speaker, my first remarks must, of course, be ones of congratulation to the mover (Mr. Jorgenson) and to the seconder (Mr. Fortin) of the address in reply to the speech from the throne. I know, sir, that there have been many remarks made already in this chamber congratulating those two hon. gentlemen and it would be simple enough for me to agree in principle with what has been said. I think, too, that the press of Canada has perhaps paid the greatest compliment to them—a compliment far greater than any individual member of the house could convey—by describing their remarks in this chamber as setting the keynote for this debate, something which has not been done in many years.

I took a great deal of interest, in particular, in the remarks made by the mover of the address when he gave his very mature appreciation of the problems of agriculture. He not only did that, but, without emotion, he described the history of the industry and explained how we find ourselves in our present situation. He recommended, as one would expect from an hon. member on this side, some constructive suggestions to the government and accordingly his stature in this house improved with each syllable he uttered. As I walked out of the chamber and listened to the comments being made I was particularly impressed by some words by a member of the protective staff who had been listening. He said this was the first speech on agriculture that he had ever understood. And as I watched the leading exponent on this topic, that great agricultural expert, the hon. member for Essex East (Mr. Martin), I gathered that he found himself in the same category as the gentleman who made that observation.

I should like, also, to compliment the seconder of the address because all too often do we hear people in our country, whether in parliament, in this chamber or outside, speak of national unity as something which we can accept without working for it. I propose in the latter part of what I have to say, not to offer a suggestion to the hon. member for Montmagny-L'Islet but, rather, to take up his challenge, because the keynote of his address was to me the fact that the area which he represents has given the lead to each and every province to make certain that we accept the challenge of national unity such as he has described.

The nature of this debate finds me in practically the same batting order as I was a year ago. I have no intention of labouring unduly the weakness of the opposition. However, I will not resist the temptation to draw to the attention of this house one rather interesting aspect—that on every occasion on which we have seen the opposition speak or engage in any conversation over C.B.C. television stations we have seen no indication of this desire to come out fighting which we have heard so much about. I point out to you, Mr. Speaker, with regard to this group of gentlemen who wanted to come out fighting that after the Prime Minister (Mr. Diefenbaker) had torn their arguments apart piece by piece their front bench members began to slip slowly further down in their seats until all we could see of them was the heels of their shoes before the Prime Minister was through.

I do not intend to say any more about the contribution they may or may not have made to the debate, but I should like to say a word about the television performance of the hon. member for Essex East, because at that particular time he was asked a number of questions about what he would do in the event he ever found himself again in government. On each occasion he replied that not having all the facts in front of him he was

not able to come to a firm conclusion. I remember, in particular, a question asked by Mr. Charles Lynch with regard to his opinion on the recognition of communist China. The nimble piece of footwork performed by the hon. member would have done credit to the best ballerina in the country; he literally danced off the stage before he made any reply at all.

And now, if I may, I should like to turn my attention to a matter of more serious and, I hope, of a more consequential nature. I am sure all of us were delighted that Canada today is participating in discussions on an international basis with the United States. I refer to the Canada-United States joint committee. I was very happy to hear the hon. member for Niagara Falls (Mr. Houck) tell us of the part he had played in this. I congratulate him on his contribution to this debate, because it was a most important one. We in the city of Calgary enjoy a relationship with the United States which is very unusual and it is perhaps significant in this respect that in our consular area we have more than 60,000 United States citizens, the greatest concentration of Americans outside the United States itself. We have enjoyed a relationship which is an example to the rest of the world. These United States citizens are not just welcome transients but men and women who have made a contribution to the business, industrial and social life of our city. I think we have set an example to the rest of the world in being able to get along with our neighbours.

I do not think any of us would disagree that with regard to diplomatic problems—and perhaps I should say not so much diplomatic as economic problems—there has been some erosion of our relationship with our great neighbour to the south. But it would be equally wrong for us to suggest that the problems we have before us are insurmountable, and the important part of this committee's work has already been established in so far as it is going to be asked to define where the area of disagreement actually lies. We will, in effect, separate fact from fiction; we will determine what the problem is and attempt, as members of two legislative bodies, to resolve it, bringing recommendations back to our respective governments in the hope that some action can be taken to reconcile the differences which are before us. I suggest that the most important advance we have already made lies in the fact that this committee has been established.

I congratulate this government, which has been alleged in the past to have been anti-American, upon taking the first step toward some constructive action to improve our relationship with our fine friends south of the border. The difficulty with regard to our relationship with the United States lies, in so far as we have been concerned, in the fact that we have at times felt ourselves to be neglected—maybe misunderstood is the better word. I suggest that the action taken by the United States congress and by its speaker gives a clear indication that they recognize the problem.

I wish to call the attention of the house to four particularly important actions taken on their part. The first, of course, was by the President of the United States coming here to discuss mutual problems in this very chamber. The second was when the United States congress extended the reciprocal trade act. The third was when Mr. Brook Hays and Mr. Frank Coffin presented their report, and the fourth was when the President, on the suggestion of the Prime Minister, appointed the United States counterpart of the Canadian committee. This is a very clear indication that the United States realizes that our difficulties can only be surmounted by a frank understanding as to where the problem actually exists.

I believe that the committee can accomplish a great deal. It is not an instrument that will become a debating society because the two countries recognize that the differences are economic. My hope is that the citizens of both Canada and the United States will stop shooting verbal rockets at one another based on differences and issues that do not really exist, but rather that having defined the area of their disagreement they will like mature men and women resolve their differences. I suggest that this can also be done at the legislative level.

Perhaps if I were to say a word about defence it might be construed that having had the privilege of serving as chairman on the committee on estimates last year, which committee examined the estimates of the Department of National Defence, I am setting myself up as an authority on the subject. This is most certainly not the case. But having made reference to the estimates committee may I be permitted to take advantage of this my first opportunity to do so and to thank, first of all, the committee members for making our work all the more agreeable. Through their co-operation we were able to complete our work in very short order.

I should like to extend to the Minister of National Defence (Mr. Pearkes) the sincere appreciation of the committee for the time he gave to us. Whenever he attended meetings of the committee he answered in detail all the questions that were put to him, and he made himself available at all times. I

also wish to say to the Leader of the Opposition (Mr. Pearson) and to the hon. member for Assiniboia (Mr. Argue) that their co-operation was greatly appreciated.

Having made reference to the work of that committee may I perhaps suggest that hon. members of that committee had full opportunity last year to discuss the question of defence in minute detail and I feel it would serve very little purpose to attempt to go back and review any of that discussion in this session of parliament in the light of any change in the international situation or the defence picture for we must realize the restricted nature of any new developments.

But what is our defence picture? In the past year we have seen introduced in this house what I suggest is a rather narrow form of nationalism on the part of a few hon. gentlemen who have indicated a resistance toward any suggestions for the integration of Canada's defence forces with those of the United States in any form of defence alliance and particularly through the NORAD agreement. Surely it is time we set aside this question of having our rights infringed upon when mutual defence is in the interest of our national survival. We must realize that national defence is not something one can arrange to suit one's own convenience and there must be cognizance of national and international needs. There can be no question of this house not having been given every opportunity to debate the question of joint defence. The most important aspect of this matter is that we are conducting our defence on a co-operative basis and thus are providing protection not just for either country but for the continent as a whole.

Perhaps the most important aspect of defence this year is the recognition that we are in a transitional period. For example, with respect to manned aircraft, whether it be the CF-100, the Sabre or the CF-105, they have a life expectancy that cannot be calculated beyond a few years. We also know that missile warfare is something that will soon be upon us if it is not already. Let us recognize that this is a transitional period and bear in mind that in expending monies for defence we must do so with one eye on the present and one eye on the future. It is ridiculous for us to expend large sums of money on the development of any piece of military equipment which in only a few months will be obsolete and of no value to the defence of the country as a whole.

I am, however, one of those who believe there is a period in the foreseeable future when a manned interceptor may be required to meet the 1,500 to 1,700 existing manned bombers of a potential enemy. Until this situation changes it is unthinkable that we should put ourselves in a position where we could not defend ourselves on that basis. I do not intend to enter into the argument about the relative merits of the CF-105, the United States CF-106 or the F-108 that will not be off the production line for some four years, but as one who has flown in defence of our country I believe we must maintain a flexible defence policy involving the flexibility of military equipment. Any aircraft we adopt should be capable of being related to our missile program but not dependent on it.

About missiles themselves, we know they are weapons that can be employed with great accuracy but of course they have shortcomings. While it is important to think in terms of defending ourselves on the home front we must also consider the commitments we have under the NATO agreement which will require additional types of weapons.

I have brought to the attention of hon. members matters that are perhaps already only too familiar to the Department of National Defence, but before leaving the subject I should like to say a few words about home defence. There has been no conflict whatsoever on the part of the government in any statement it has made and particularly concerning whether or not we will likely require a first-class two seat interceptor. Every statement that has been made by this government clearly indicates the need for a combination of weapons and every statement that was made in the committee on estimates when it examined the estimates of the Department of National Defence supports this position. What I want to make clear is this: last year the government spent $174 million for a one year extension of the Arrow program, and at that time had flown only four of the CF-105's. Certainly the government is not going to accept or reject this particular aircraft until it is fully acquainted with its flight characteristics.

Recognizing that we are passing through a transitional period in defence, it does not make sense to say that we must evolve a hard and fast rule concerning what type of weapon or group of weapons we are going to employ until we know what the qualifications of those weapons are. The government must have the full facts at hand before making a decision, and it will test and review various types of equipment in order to decide on their suitability to fit into the pattern of international defence under the NORAD agreement. Then and only then can a decision be made. No attempt on the part of hon. members of the opposition and particularly on the part of the Leader of the Opposition, who on many occasions in the past few days has expressed

some doubt about the acceptability of the Arrow, is going to force this government into a premature and untimely decision.

Before leaving the subject of defence may I make a second suggestion that applies to the defence of our country. Our commitments under NATO are gradually disappearing. Many of the responsibilities we have will be relinquished. Some of the airfields we have in Canada will doubtless be abandoned. I would suggest to the Minister of National Defence that in co-operation with the Department of Transport consideration should be given to the question of how these airfields can best be utilized.

In my own city, for example, we have an airfield, formerly the No. 3 service flying unit, which will become surplus at some point. Canada has a growing civil aviation problem and to some extent private, commercial and executive aircraft are cluttering up the principal airfields in our cities. I think it is time we recognized that we should transfer our civil aircraft to those subsidiary fields which are about or nearly about to be declared surplus. If we did that we would accomplish two things. First of all, we would have alternate air fields near our cities for defence purposes in the future. But what is more important, we would be providing incentive for civilian aviation to develop to a greater extent than it has in the past without in any way complicating commercial air routing.

While I am on the same subject I should like to suggest the advantage of giving some thought to permitting our auxiliary squadrons to have an additional role, namely that of carrying out air search and rescue in many areas of our country not adequately covered today. For the most part auxiliary squadrons have been transferred to air transport command where they use twin engine expediter aircraft. They are comparable to any of the light bombers which were used in the early stage of the war. I think the squadrons would be more effective in providing more help in search and rescue, which to some extent has been neglected in many sections of Canada.

I come now to a subject which perhaps has been introduced in this chamber before and about which I have seen a rather interesting change. I refer to the amount of lobbying which exists in parliament today. I refer to lobbying by outside interests which in itself is in no way offensive. In fact, I did some research and drew a parallel with some pressure groups, or lobbying of legislation, in the United States. It is not unlike our own country some 25 or 40 years ago. I recognize the constitutional difference between our parliament and the United States congress. In the United States, because of the constitutional differences lobbying can have a great deal more effect than it has here, but what I would point out is that in the United States as early as 1867 there was a group of gentlemen who decided that lobbying had reached such proportions as to become extreme. The first attempt at a bill was introduced at that time. Some years later the bill on lobbying was introduced and only as recently as 1946 did we see any legislation which had any teeth in it.

I do not for a moment, Mr. Speaker, deny the right of individuals either in a body or as a group to approach any member of parliament on any business with which they may be concerned. Because of the very nature of our constitutional right here we make ourselves accessible to anyone within Canada who has a problem. But I suggest that the history of pressure groups and lobbying in the United States is not unlike our own in this respect. These groups, because of their size, because of their operation and because of their effectiveness in obtaining the legislative result they required eventually were asked to file with the United States administration two facts, namely their source of income and their affiliation with the people with whom they were doing business.

I think that at some time we may be forced into the position of referring to a committee of this house whatever information we can to determine whether lobbying has become so effective in Canada today that similar legislation to that passed by the United States is required here, namely legislation having to do with the registration of lobbyists. I am not speaking mainly of those who may wish to make a phone call and describe a problem to a member. I am not referring to those who may wish to make an appointment and present a problem to an individual. I am referring to that vast army of people who descend on the capital. They may describe themselves as public relations men or even members of the press. They have been known to be members of that very important profession, the legal profession. I am not confusing those of the legal profession who are here set up as agents to do business on behalf of companies, but rather to that group on the outside who know that legislation may be introduced at this session or at some future session and who think they should be here to make absolutely certain that the greatest and most effective pressure can be brought to bear on every member of this chamber.

It is quite possible that we may not have reached the day when legislation is required. I realize, too, that any legislation that may be introduced would not necessarily be the whole answer to the problem because in

the United States since 1946 some 2,800 lobbies have been registered which operate within the law. What I do suggest is that it is a regulation which, if it is not required at present, may at some time in the future be of great help to the individual member, not that hon. members need to be protected. I would not be so naive as to suggest that an hon. member is not familiar with the subject that may be discussed with him, but only that he should have the opportunity of discerning the particular objective required in the lobby which is undertaken at that time. As I said initially in introducing this matter I do not suggest that there should not be any information given nor do I deny the individual the right to be given the opportunity to carry out whatever undertaking he has in mind.

I am going to close the remarks I have made tonight with a reference to the oil and gas industry and it will be brief. Shortly there will be introduced in this chamber legislation having to do with an energy board, something that has been long required in the history of the petroleum and natural gas industry. We assume that the legislation will involve on the one hand the interests of the consumer and on the other hand provide some help to the industry which it will govern. I will not at this point make any reference to it but I would like simply to introduce a note of optimism at this time which is the first time I have had the opportunity of speaking on oil and gas in the past two years. The marketing of our petroleum products has taken the first encouraging upturn that we have seen in the past two and one-half years. This has been due largely to the expansion of the Ontario market which has more than doubled itself in the past two years.

The most significant aspect of the Ontario improvement has been the desire on the part of the industry itself to divert portions of crude which at one time were taken from foreign sources. In addition, crude was forced back which had been coming in from Montreal refineries, thus limiting again foreign imports into the country. I think too it can be said that the hope for a future market in the United States has improved, again because on the one hand General Petroleum Corporation and their refinery at Ferndale in Washington state have replaced foreign crude with Canadian crude from western Canada which was also under their control.

The point I make, is that the industry for the most part has corrected to a very large degree its own problem. I think it is to be congratulated first of all on recognizing that that problem is best left in the hands of the industry itself, with the minimum amount of control or regulation. I do not for a moment suggest that there is not going to be a demand or a desire for the eventual construction of a pipe line to the Montreal area. In my opinion it is only a matter of time before that will take place. The marketing picture will improve which will clearly indicate that the market demand has taken up some of the slack of the overproduction which we have had in western Canada. But in the long term our ability to produce will, as it does today, far exceed our ability to sell oil. Therefore it is essential, not only from the point of view of the economic picture in Canada but in the interests of national defence, eventually to move oil into the Ontario and Montreal refining area.

Second, I would say this. Our hope of moving more oil into Montreal or of increasing the market in Ontario is in my view at present second only to the necessity of improving market export into the Pacific northwest and the great lakes area of the United States. In any event, it can be said that for this year, certainly for the first two months of the new year, the market picture for export and for domestic demand has increased beyond all expectations. In fact, in the first two months of this year we are only a little below the record year in 1957 during the Suez crisis.

I think if anything is to be said about oil and gas we have to comment on two other aspects. First of all, there is the fact that the Venezuelan government has seen fit to increase taxation on the companies operating in that country. This could have a very interesting effect because it will inevitably bring about an increased price for Venezuelan crude which must move into foreign markets. It would be wrong for me to suggest that these oil companies or, for that matter, the government will attempt to outprice themselves completely so far as foreign markets are concerned, but it is significant to note that any suggestion of further concessions by these producers, either in Canada or the United States, which in the past has made it impossible for Canadian crude to compete will be certainly short lived if not completely eliminated. I hope that the market for Canadian crude, both in the Pacific northwest and also in Ontario and Montreal, is broadened considerably, first of all by the more efficient manner in which we produce oil and, second, because of the change in the international situation as it affects Venezuela.

Finally, so far as oil and gas industry is concerned, there will be introduced into the house more oil and gas legislation than at any time in the whole history of the Canadian parliament. I suggest this is going to

be something with which each and every member must concern himself because this is Canada's No. 1 mineral industry, one which today has grown to maturity, which affects not just the four areas in which the product is produced but which has an influence on every province in our Canadian economy. Therefore it is my hope that hon. members will not only look into the recommendations contained in the Borden report but will examine the areas where this industry affects the particular economy of their own constituencies.

Speaking as a member of parliament I say that we need the greatest help from every section of the community to put together the best recommendations which can be introduced into legislation. We also know that there are going to be many new and interesting events which will affect the industry. A few of us had the opportunity today, for example, to view, certainly for the first time in some years, an experiment which conceivably may be carried out in the very rich Athabasca tar sands. This area, as is well known to the House of Commons, contains the greatest known reserve of oil. The experiment which was demonstrated to us through a motion picture will be carried out by the Richfield Oil Corporation as a possible answer to the separation of the oil from the sand, thus making available in some future year this great source of crude oil.

There are, of course, a great number of others who are interested in this prospect, but what it amounts to is that the year 1959, with the improvement in the domestic oil picture, with the opportunity that may exist in future demands from United States sources and in view of the eventual construction of pipe lines, improvement in oil and gas policies both on the provincial and federal level and the effect of more important improvements in the technological field, will unquestionably be the industry's greatest year.

As I close my discussion of oil perhaps I should say that I know that very shortly the petroleum and natural gas conservation board will make available its decision on whether or not to recommend a permit for export. This is something which will be in the hands of the federal government to consider, and I know I speak on behalf of my constituents when I say for them that I hope the government will give the earliest consideration to this matter. I say this because, assuming that an export permit is considered and recognizing that the Borden commission and the petroleum and natural gas conservation board have both suggested that we have gas reserves far beyond domestic requirements for Canadian consumption, I think it can be said that the export of our surplus requirements is a most beneficial thing so far as the Canadian economy is concerned.

I close on the theme introduced by the seconder of the address in reply to the speech from the throne when he discussed in such eloquent terms the need for national unity. I think he will agree with me, as I am sure every other hon. member of the house will, that while national unity is something that is present today we have achieved a measure of economic unity which permits each province, each section of each constituency for that matter, to be able to be a part of the family of confederation and feel that they are not poor relations because if you understand where your problems exist and survive that is what creates national unity. I believe and I am sure that the majority of the people of our country believe that if we have any portion of national unity, as the hon. member suggests, and I agree with him, certainly we have attained it because of our achievements in economic unity and equality which include the construction of the railroad, the improvement in the farm population's rather difficult situation of a year ago, the improvement of the position of the maritime provinces, the improvement of the picture in British Columbia today, all of which have been part and parcel of the operations of Conservative government. That is the reason we enjoy national unity today, because this is the government that has made it possible.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I rise in the closing moments of the discussion of the subamendment to state the position of this party in respect thereto. Before doing so, I should like to say that I have listened with great interest to the interesting and, I thought, on the whole constructive contribution made to the debate by the hon. member who has just taken his seat. He mentioned among other things the desirability of proceeding carefully and not making premature decisions in regard to such an important matter as the CF-105. I would remind him, if a reminder is necessary, that the Minister of National Defence (Mr. Pearkes) told us in the committee over which he presided with such efficiency last session that the decision in this matter would be made in the autumn, last autumn. Certainly the statement of the government on that matter in September did not constitute that decision which we had been led to expect would have been made at that time. If a decision has to be made, and we on this side appreciate the difficulties of that decision, perhaps it would have been better if it had been made last autumn and before March 31.

The hon. member also expressed some suspicion about the development of what he called lobbies, and suggested, as I understood him, that the time might be coming when we would have to register those who could be called lobbyists, as is done at the present time in the United States. I hope, Mr. Speaker, we will not have to consider any such procedure as this when it comes to the right of Canadians, individually or collectively, to make their views known to the government of the day. We remember in that connection the statements that were made not very long ago that the doors of the government would always be open, I hope not only to those who are registered for that purpose.

We on this side had hoped that the Prime Minister (Mr. Diefenbaker), in that intervention which he made with his usual vigour and forcefulness a week ago today, would have given us and the country a considered and constructive analysis of the economic and other problems which face the country now, and the principles on which the government proposes to act through legislation in meeting those problems. The Prime Minister, on that occasion at least, did not give us that kind of statement. He criticized me for taking an unduly gloomy and pessimistic view of the situation. He said that I spoke irresponsibly and in a way—I hope I am not misinterpreting what he said—which was not consistent with the danger which we faced at this time from communism. Communism, Mr. Speaker, had nothing to do with what I was talking about on that occasion. I suggest that we do not assist the fight against communism abroad by not dealing effectively and immediately and constructively with the problems that we face at home. I do not believe it was in accordance with what I said to interpret my remarks, as the Prime Minister did on page 52 of *Hansard* for January 19, 1959, as painting a picture of Canada as a place, fearful in its prospects and frightening in its future.

There is only one thing which can prevent Canada from achieving the destiny which is hers if her people desire to achieve it, and that is the loss of peace and world war III, which will prevent any country from achieving any destiny in this world. Inadequate policies of government can postpone, and I suggest if we do not get the right policies from the present government we may postpone the achievement of that destiny, but no Canadian, whatever party he belongs to, lacks faith in the achievement by Canada of the destiny which is hers and the realization of the national vision which we all have before us.

The Prime Minister also thought that we were exaggerating the economic and financial difficulties that face us. I made certain specific statements and colleagues of mine followed them up with other specific statements which we attempted to support by the official statistics which were available to us. We gave certain concrete evidence in support of those statements, and I do not feel the Prime Minister or his colleagues in government have dealt effectively, and as we had reason to believe they would, with the points of criticism which we advanced. I asked certain questions of the government which are recorded on page 41 of *Hansard* for January 19, 1959, very definite questions. They were meant to be constructive questions. They were meant to elicit from the Prime Minister and the government the principles upon which they were going to act in the introduction of their legislation. These questions have not been mentioned, let alone replied to by any spokesman for the government since this debate began.

I also made three additional concrete, and I thought constructive suggestions concerning other matters and how we should proceed in regard to them. They also have not been referred to by any speaker on the government side in this debate. I wish I had the time to put those questions which appear on page 41 on the record again, but they are there.

The Minister of Trade and Commerce (Mr. Churchill) made an interesting intervention in the debate which included very little indeed about the policies of his government, but a good deal about the policies and personalities, particularly this personality, of the preceding government. He told us once again with some satisfaction how the commonwealth had been saved by a government which had always believed in the commonwealth from a party which had never believed in the commonwealth. Once again he has not produced the evidence to support that kind of wrong statement. I refer the minister, not to his own words but to his own actions. I refer him to his trade diversion policy which has resulted in exports from the commonwealth to the United States being increased by 15 per cent, as I pointed out the other day, and exports from the commonwealth to Canada being decreased. I refer him to the free trade offer made by the British government a year or so ago, about which nothing has been done. I refer him to the increase in wool duty. It is a homely old saying, Mr. Speaker, but it remains true, that actions still speak a good deal louder than words, even the words of my hon. friends.

My hon. friend also said with some satisfaction that he and his government had saved us from the United States. He expressed his preference for jackboot over tiptoe diplomacy in relation to that country. He did a great deal of threshing of old straw, but once again we can let the record speak for itself. Perhaps it would have been more useful if we had at this time from the minister some indication of the trade policies of this government, some views on the proposals that have been made on this side concerning the restoration of the Hyde Park agreement; some indication of the attitude of the government toward economic and trade developments in Europe which will have, if they develop in a certain way, a far-reaching effect indeed on the trade of Canada as well as on the trade of the United States.

Mr. Speaker, we have before us the subamendment moved by the C.C.F. One part of that subamendment refers to the government in agricultural and anti-inflationary policies, which of course we can unreservedly support. We could have found even more examples, but we thought it wise to concentrate, by exclusive mention, on unemployment, which is such a pressing and immediate problem in human and social as well as economic terms. There is another part of the C.C.F. subamendment. A reference to the absence of social and economic planning which calls for approval of a socialist approach or a socialist solution for national problems would make it impossible for us to support such an amendment to the address.

On this occasion, however, Mr. Speaker, and this is in contrast to previous occasions when these words were used, we have noted a reference specifically to the confused policies of the government which were criticized by us, among other reasons, precisely because they were unplanned and were carried out in a piecemeal, hit-and-miss, short-sighted fashion. We agree that there is not the kind of economic planning which is both desirable and necessary to meet these problems which are before us today. Because we feel that that kind of planning is essential for this particular purpose, we shall be able to support and vote for the C.C.F. subamendment.

Some hon. Members: Oh, oh.

Mr. Pearson: In addition, Mr. Speaker, a vote against it would imply confidence in the government which is certainly not our purpose or our feeling. I have already begged the government to interrupt this debate so that its unemployment legislation could be brought forward at once for immediate action. Surely the seriousness of the situation required this procedure at this time. The Prime Minister (Mr. Diefenbaker) has twice refused this request.

Mr. Fleming (Eglinton): Will the hon. member permit a question?

Mr. Pearson: I have only until a quarter to ten in which to finish my remarks. If I finish before a quarter to ten I shall be delighted to have the hon. member's question. Indeed, Mr. Speaker, the Prime Minister once brushed aside my request with what I thought was a somewhat frivolous observation.

I now wish to make another request, indeed an appeal, to the government. It is that immediately this vote is taken on the subamendment we proceed without delay to take the vote on the amendment and on the main motion or, in other words, that we conclude this general discussion, this throne speech debate, tonight and proceed tomorrow with legislative and other business giving priority to unemployment.

Mr. Speaker: The Clerk informs me that it is 9.45 o'clock p.m. It being 9.45 o'clock p.m., it is my duty, pursuant to section 3 of standing order 38, to interrupt these proceedings and forthwith to put the question on any subamendment now before the house.

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

YEAS

Messrs:

Argue	Houck
Badanai	Howard
Batten	Leduc
Boivin	Lessard
Boulanger	Loiselle
Bourget	Macnaughton
Bourque	McIlraith
Brassard (Lapointe)	McMillan
Caron	McWilliam
Chevrier	Martin (Essex East)
Crestohl	Martin (Timmins)
Denis	Michaud
Deschatelets	Mitchell
Dumas	Nixon
Eudes	Pearson
Fisher	Peters
Forgie	Pickersgill
Garland	Racine
Godin	Ratelle
Gour	Regier
Habel	Richard (Ottawa East)
Hardie	Robichaud
Hellyer	Tucker
Herridge	Winch—48.

NAYS

Messrs:

Aiken	Balcer
Aitken, Miss	Baldwin
Allmark	Baskin
Anderson	Beech
Asselin	Bell (Carleton)

Division

Bell (Saint John-Albert)
Belzile
Best
Bigg
Bourbonnais
Bourdages
Brassard (Chicoutimi)
Broome
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campeau
Casselman, Mrs.
Cathers
Chambers
Charlton
Chown
Churchill
Clancy
Comtois
Cooper
Courtemanche
Creaghan
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Dorion
Doucett
Drysdale
Dubois
English
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flynn
Forbes
Fortin
Fraser
Frechette
Fulton
Grafftey
Green
Grenier
Grills
Gundlock
Hales
Halpenny
Hamilton (Qu'Appelle)
Hamilton (York West)
Hanbidge
Harkness
Hees
Henderson
Hicks
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Johnson
Jorgenson
Jung
Keays
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lafreniere
Lahaye
Lambert
Latour
Legere
Lennard
Letourneau
Macdonald (Kings)
Macdonnell
MacLean (Queens)
MacLean (Winnipeg North Centre)
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McIntosh
McLennan
McPhillips
McQuillan
Mandziuk
Martel
Martineau
Martini
Matthews
Monteith (Perth)
Monteith (Verdun)
Montgomery
More
Morissette
Morris
Morton
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Paul
Payne
Pearkes
Phillips
Pigeon
Pratt
Pugh
Rapp
Rea
Regnier
Richard (Kamouraska)
Robinson
Rogers
Rompre
Rowe
Rynard
Simpson
Skoreyko
Slogan
Small
Smallwood
Smith (Calgary South)
Smith (Hastings-Frontenac)
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Speakman
Spencer
Stanton
Starr
Stearns
Stefanson
Stinson
Tasse
Taylor
Thompson
Tremblay
Villeneuve
Vivian
Walker
White
Winkler
Woolliams
Wratten—174.

Mr. McQuillan: Mr. Speaker, I move the adjournment of the debate.

Mr. Speaker: It being after ten o'clock the house stands adjourned automatically.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, I was going to ask a question of the leader of the house. I wondered if he would indicate whether we would take the vote on the amendment to-morrow?

Mr. Green: We will proceed with the debate in the ordinary way, Mr. Speaker, and if the hon. member and his followers have run out of ideas I am sure they could get some from their new brothers in the C.C.F.

It being seven minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

COLD STORAGE ACT PAYMENTS, ATLANTIC PROVINCES

Question No. 24—**Mr. Pickersgill:**

1. Have any subsidies been paid or approved under the Cold Storage Act in each of the Atlantic provinces for the years 1956, 1957 and 1958? If so, how many?

2. What was the amount of the subsidy in each case and to whom was it paid?

Answer by: **Hon. D. S. Harkness (Minister of Agriculture):**

1. (a) Subsidy contracts, under Cold Storage Act approved:

	1955-56	1956-57	1957-58	1958-59*
Newfoundland ..	2	Nil	Nil	Nil
Prince Edward Island	1	Nil	1	Nil
Nova Scotia	Nil	Nil	1	1
New Brunswick	1	4	1	2

*(to Dec. 31/58)

(b) Subsidies paid under Cold Storage Act

Newfoundland ..	Nil	1	Nil	Nil
Prince Edward Island	Nil	1	Nil	1
Nova Scotia	1	Nil	Nil	1
New Brunswick	Nil	1	4	Nil

2. (a) Subsidy contracts approved under Cold Storage Act

1955-56—Newfoundland Fur Farmers Feed Co-operative Association, South Dildo, Nfld., estimated subsidy, $61,567; Codroy Valley Agricultural Producers Co-operative, Upper Ferry, Nfld., estimated subsidy, $5,000; Polar Quick Freezing Company Limited, Summerside, P.E.I., estimated subsidy, $32,567; Capital Co-operative Limited, Fredericton, N.B., estimated subsidy, $38,334.

1956-57—Bridgeport Co-operative Small Fruits Association, Bridgetown, Cape Breton, estimated subsidy, $35,571; Fundy Cold Storage Limited, Beaver Harbour, N.B., estimated subsidy, $90,425; Carleton Cold Storage Limited, East Florenceville, N.B., estimated subsidy, $86,771; Ayer Storage (St. John) Limited, Lancaster, N.B., estimated subsidy, $256,667; Shippegan Cold Storage Limited, Shippegan, N.B., estimated subsidy, $41,400.

1957-58—North Rustico Fishermen's Co-operative Association, North Rustico, P.E.I., estimated subsidy, $14,333; ACA Co-operative Association Limited, New Minas, N.S., estimated subsidy, $56,833; New Brunswick Apple Exchange, Gagetown, N.B., estimated subsidy, $40,333.

1958-59: to Dec. 31, 1958—Eastern Co-operative Services Limited, Sydney, N.S., estimated subsidy, $50,000; Carleton Cold Storage Limited, East Florenceville, N. B., estimated subsidy, $35,500; Co-operative Farm Services Limited, Moncton, N. B., estimated subsidy, $50,000.

(b) Subsidies paid under Cold Storage Act

1955-56—Tor Bay Canning Company, Whitehead, N. S., subsidy paid, $7,053.

1956-57—Codroy Valley Agricultural Products Co-operative, Upper Ferry, Nfld., subsidy paid, $5,000; Polar Quick Freezing Company Limited, Summerside, P.E.I., subsidy paid, $30,802; Shippegan Cold Storage Company Limited, Shippegan, N. B., subsidy paid, $41,400.

1957-58—Fundy Cold Storage Limited, Beaver Harbour, N. B., subsidy paid, $81,920; Carleton Cold Storage Limited, East Florenceville, N. B., subsidy paid, $81,950; Capital Co-operative Limited, Fredericton, N. B., subsidy paid, $31,354; New Brunswick Apple Exchange, Gagetown, N. B., subsidy paid, $21,920.

1958-59: to Dec. 31, 1958—North Rustico Fishermen's Co-operative Association, North Rustico, P.E.I., subsidy paid, $14,333; ACA Co-operative Association Limited, New Minas, N. S., subsidy paid, $31,895.

UNEMPLOYMENT INSURANCE FUND

Question No. 28—**Mr. Carter:**

1. How much money has been paid into the unemployment insurance fund per month since May, 1958?

2. How much has been paid out of the fund each month since May, 1958?

3. What is the balance remaining in the fund at the present time?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1 and 2.

Month	Revenue $	Expenditure $
May 1958	20,579,908.18	51,626,650.72
June 1958	19,427,334.68	36,962,856.91
July 1958	22,552,462.00	26,782,089.93
Aug. 1958	20,078,081.64	19,459,737.42
Sept. 1958	22,780,521.77	19,813,097.35
Oct. 1958	20,283,200.09	20,225,925.74
Nov. 1958	19,045,678.09	21,099,485.80
Dec. 1958	17,013,284.32	33,530,160.00

3. December 1958—$625,363,366.21.

HOUSE OF COMMONS

Tuesday, January 27, 1959

The house met at 11 a.m.

PRIVILEGE

MR. PICKERSGILL—REFERENCE TO STATEMENT IN DEBATE ON JANUARY 23

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I rise on a question of privilege affecting the privileges of all hon. members. In *Hansard* for January 23 will be found an answer given by the Minister of Labour to a question I asked him—I am making this as brief as possible, sir—in which the minister states, as recorded on page 241, that the unemployment figure, the D.B.S. figure, for March, 1958, which he said was well known to me though in fact I do not carry all these figures in my head, was 509,000. He did not give more than the rough figure, and I do not criticize that. But, sir, on examining Labour Force, November, 1945, to July, 1958, reference paper No. 58, 1958 revision, published by the dominion bureau of statistics, the figure given for March 22, 1958 is 597,000. Therefore the minister was 90,000 out and in addition he was wrong in saying that this figure was lower than the figure in 1955.

HOUSING

WINDSOR, ONT.—FEDERAL CONTRIBUTION TO BLIGHTED AREA CLEARANCE

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I wish to inform the house that the federal government has approved a contribution to the city of Windsor under the National Housing Act to assist the municipality to acquire and clear a blighted area in the central portion of the city.

The proposals put forward by the city of Windsor envisage the clearance of an area of some 28 acres. Approximately one-half of this land, when cleared, will be sold by the city to the federal government and the province of Ontario for the construction of a low rental housing project consisting of some 280 units, the cost of which will be shared 75 per cent by the federal government and 25 per cent by the province in accordance with the provisions of section 36 of the National Housing Act. These units will provide accommodation for the families living in the area.

The remaining half of the land will be used for civic and institutional purposes as well as for private housing. The city has estimated that it will cost approximately $4,300,000 to acquire and clear this land. Under section 23 of the National Housing Act the federal government will contribute 50 per cent of the cost and will also share in any proceeds from the sale or lease of the land.

I am informed that the province of Ontario, in addition to its participation in the financing of the housing project, will also contribute financially to the cost of acquiring and clearing that portion of the area which will be used as the site for the housing project. The remainder of the acquisition and clearance cost will be borne by the city.

This project is bound to have an important impact on the structure of the central area of Windsor. It will provide additional employment opportunities as demolition progresses and a start is made on reconstruction but, above all, it will provide a new environment and new homes for approximately 1,000 persons. It is expected that the taking over of the land will commence almost immediately. This, of course, is in the hands of the city, and there will be expropriation and demolition. When the housing project itself is undertaken there will be a cost of probably $3 million. The project should be started during the summer.

Hon. Paul Martin (Essex East): I thank the Minister of Public Works for making an announcement which, in principle, was made about five weeks ago by the mayor of Windsor. The regrettable feature of this of course, as the minister knows, is that the opportunity which this project provides for giving immediate work does not afford any relief in terms of the present unemployment. However, I should like to say to the minister that this project will be of great assistance to Windsor if not in the immediate future then in the longer term, and I thank the minister very much for his interest in making this project possible to a city which he recognizes as one of the outstanding cities in this country.

Mr. Green: I should like to add just a word. The hon. member for Essex East has mentioned that this will not be of great help in respect of unemployment during this winter. May I point out to him, sir, and to the house that if he had been on his job as the member

for Essex East while he was in the cabinet this work would have gone ahead some years ago.

[*Later:*]

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Public Works. I should like to ask him whether grants from the federal government will be made available to other centres such as has been announced in the case of Windsor. I have in mind areas where there is considerable unemployment, and where they have low-cost land in their municipalities.

Mr. Green: Mr. Speaker, this government is very anxious to see redevelopment projects go ahead in any part of the country, but the initiative must come from the municipality in question. In the case I mentioned it came from the city of Windsor. There are several other projects either completed or under construction; for example, in the city of Vancouver. We hope there will be requests from that city for a development scheme, but in each case the initiative must come from the city itself.

BRIDGES

MONTREAL—STATEMENT ON DELAY IN CONSTRUCTION OF CHAMPLAIN BRIDGE

Hon. George H. Hees (Minister of Transport): I have received inquiries, Mr. Speaker, from a group of members of parliament from Montreal and the surrounding district relative to the progress being made in the building of the Champlain bridge—

Some hon. Members: Champagne.

Mr. Hees: No champagne this morning—and suggestions that there have been delays in its construction. As this is a matter of great interest to the Montreal district I would like to make a statement about it.

The national harbours board advises me that the bridge, as a project, is comparable to the Jacques Cartier bridge, which took 5½ years to design and build. It is estimated that the completion of this bridge will take approximately the same period of time.

Any delays which have occurred have been due largely to the fact that three years ago, when the original plans were started, overall responsibility was given to one consulting engineer, Dr. P. L. Pratley, and his illness and death have resulted in some delay. A portion of the work is being carried on by Dr. Pratley's son, Mr. H. L. Pratley, and associated with him are the firm of Lalonde and Valois, consulting engineers in Montreal, in order to speed up this project and remove the possibility of any further delay. The national harbours board report that no further delays are anticipated.

The bridge will be approximately four miles long, and will clear the seaway. It was originally intended to build this as a four-lane project, but due to representations which I received from the Montreal members of parliament, pointing out the tremendous growth which has taken place in the past few years in the Montreal area, we decided to build the project as a six-lane structure. It is estimated, because of the extra wide lanes, that the bridge will have a capacity about equal to that of Jacques Cartier and Victoria bridges combined.

To date six contracts have been awarded for the construction of sections of the bridge as follows: three for fill; one for the main piers at the seaway canal; one for a temporary causeway from the Montreal shore to Nuns island, to assist construction, and one for piers in the channel from Montreal to Nuns island.

Tenders will be opened on February 12 for the main bridge structure between Montreal and Nuns island. It is expected to call tenders for the other main sections between Nuns island and the south shore within the next two months.

The target date for completion is the summer of 1961.

NATIONAL CAPITAL PLAN

INQUIRY AS TO APPOINTMENT OF MEMBERS OF COMMISSION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): In respect to the omission of the mayor of Ottawa and the mayor of Hull from the national capital commission, I wonder if the Prime Minister could explain the contradictions between the statement he made in the house yesterday explaining these omissions and that given out by his office, as reported in the press.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, it is apparent that the hon. gentleman has not read the Federal District Commission Act and the new act that took its place. In the Federal District Commission Act provision was specifically made that the mayor of Ottawa and the mayor of Hull should be members of the commission. In the new act no such provision was made. The act was made available to parliament in bill form for consideration and examination, and at no time was any suggestion offered on the part of the opposition with regard to the change which was most apparent.

Mr. Pearson: I have a supplementary question. I wonder whether the Prime Minister would now answer my question.

Mr. Diefenbaker: As a matter of fact, Mr. Speaker, I think the draft of the bill—and I am speaking now subject to correction—was made while the former government was in power, and specifically removed the mandatory appointment of the mayor of Ottawa and the mayor of Hull.

Mr. Pearson: Mr. Speaker, what the Prime Minister has said is quite correct, and has nothing to do with the appointment or non-appointment of the mayor of Ottawa. It has to do with the mandatory provisions of the act. I asked the Prime Minister if he could explain the contradiction between the explanation he gave the house yesterday for this omission and the explanation given to the press by his office.

Mr. Diefenbaker: Mr. Speaker, I think the contradiction is in the mind of the hon. gentleman.

Mr. Hazen Argue (Assiniboia): I have a supplementary question, Mr. Speaker. I wonder whether the Prime Minister would care to comment on the report of Greg Connolley in yesterday's Ottawa *Citizen* that, because of the omissions, the municipalities are going to believe that the federal government under this arrangement intends to implement a federal district commission similar to the federal district in the United States.

Mr. Diefenbaker: Mr. Speaker, the hon. member for Carleton (Mr. Bell) has given notice that he intends to ask this question. May I say that the report has no foundation in substance or in fact, and is purely fictional in every respect.

CANADIAN BROADCASTING CORPORATION

MONTREAL—INQUIRY AS TO CABINET MEETING WITH PRODUCERS DELEGATION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to ask of the Prime Minister a question in another field. In view of the magnitude and seriousness of the continuing producers strike and the need to effect an immediate settlement, can the Prime Minister say whether he is in a position, along with the majority of the members of his cabinet, to meet the large delegation that we understand will be in Ottawa momentarily?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, no request has been made in that behalf to meet the Prime Minister, and I am sure the hon. gentleman has not the authority to speak for any delegation. May I also say that the attitude I took on previous occasions is unchanged. I seem to remember that in the past hon. members on the other side of the house took the strongest possible objection to any action being taken by this government in respect of the C.B.C.

Mr. Argue: Will the Prime Minister say whether he will meet the delegation and whether, because of the seriousness of the strike, he will bring the parties together?

Mr. Speaker: Order. The hon. member heard the Prime Minister's answer, which was to the effect that he had not been asked to meet the delegation.

(Translation):

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I should like to direct a question to the Minister of Labour. Is he aware of the opinion expressed by Rev. Father Jacques Cousineau, S.J.,—an authority on labour relations,—in last Saturday's Montreal papers, about the legality of the C.B.C. producers' strike? If so, could he tell us what he thinks about it?

An hon. Member: What a jurist!

Mr. Denis: Mr. Speaker, if the hon. Minister of Labour cannot answer my question, I believe the Minister of National Revenue is equally interested in it, so I would ask him to answer it.

Mr. Grafftey: What question?

(Text):

Mr. Speaker: Order. As I understand the question, and I was following it in the translation, the hon. member is asking for an expression of opinion from the minister on a legal matter.

Mr. Chevrier: Mr. Speaker, no; that is not the point. The question was—

Some hon. Members: Order.

Mr. Speaker: Order. If I am in error I should like to be corrected, and I should like to hear what the hon. member has to say.

Hon. Lionel Chevrier (Laurier): I should like to assist you, Mr. Speaker. The hon. member for St. Denis first directed his question to the Minister of Labour and then to the Minister of National Revenue. The purport of the question was simply to ascertain if, notwithstanding the fact that the Minister of National Revenue had stated in the house that the dispute was illegal, he had

now changed his mind in view of the opinion of the expert in Montreal. The question was simply that, and I submit it is perfectly within the rules of the house, sir.

Mr. Speaker: Perhaps the hon. member who asked the question would indicate which minister he wishes to answer.

(Translation):

Mr. Denis: Mr. Speaker, we can rely on the Minister of Labour, who is looking into the matter. I presume that if he cannot give an answer to-day, he will give one tomorrow or later.

(Text):

Mr. Speaker: Order. The hon. member has asked his question. It is apparently a question of the state of mind of the minister, and I want to know which minister's mind he is inquiring into.

Hon. Michael Starr (Minister of Labour): In order to clear up the situation, Mr. Speaker, I may say that I have never expressed an opinion as to the legality of this strike, nor have I any comment to make on the observations contained in the newspaper report.

Mr. Chevrier: Mr. Speaker, may I then direct a question to the Minister of National Revenue. In view of the opinion given in Montreal by an expert in industrial relations having to do with this matter, I now ask the minister whether he is still of the opinion that the strike is illegal, as he called it.

Hon. George C. Nowlan (Minister of National Revenue): Having first inquired into the state of mind of two ministers we are now getting into the realm of legal opinion. I have not seen the opinion to which the hon. member refers; therefore I am unable to comment upon it. However, I personally have not changed my opinion in the slightest degree. With picket lines preventing over 1,000 people who are under contract to work from fulfilling that obligation, and in view of the fact that approximately 1,000 who have attempted to cross the picket lines have been subjected to violence and threats, there can surely be no question whatever about the illegality of this strike. I would suggest that you do not need an expert on law in order to reach an opinion. You just need a little common sense.

(Translation):

Mr. Denis: Mr. Speaker, if the Minister of National Revenue did not read that expression of opinion, would he allow me to offer him a copny of it?

[Mr. Chevrier.]

(Text):

Mr. Speaker: Order. This is not an opportunity to make statements. It is an opportunity to ask questions, and the hon. member is free to supply the information to the minister privately.

Mr. Chevrier: I should like to direct a question to the Solicitor General. In view of the opinion which has just been given by the Minister of National Revenue alleging violence and the breaking of the law in connection with this dispute, I ask the minister how it was that yesterday he declared that this strike in his opinion was legal.

Hon. Leon Balcer (Solicitor General): Mr. Speaker, if the law has been broken there is no doubt that those acts have been illegal, but the question asked by the hon. gentleman yesterday was whether in my opinion this strike was illegal, and I said that in my opinion the strike was not illegal.

Mr. Hazen Argue (Assiniboia): A supplementary question. I am interested in finding out on what ground the minister could make the statement that the picket line prevented 1,000 people from crossing it, when we understand that more than 1,500 employees will be in Ottawa supporting the strike.

Mr. Nowlan: There will not be 1,500. There may be 1,500 coming from various sections of Montreal and various political parties, but there will not be 1,500 employees of the C.B.C.

COMBINES INVESTIGATION ACT

TOBACCO—ALLEGED RESTRAINT OF COMPETITION IN QUEBEC

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to ask the Minister of Justice whether any action is being taken by the combines branch as a result of complaints made to the branch that a combine exists to restrain competition in the purchase of tobacco from Quebec growers.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I wish to thank the hon. member for having given me notice of his intention to ask this question. I am able to advise him that immediate steps have been taken to interview the complainants in order to ascertain the specific grounds of their complaint and the reasons they have for thinking a combine exists. The information obtained from these interviews will be studied promptly and carefully.

PUBLIC BUILDINGS

SUDBURY, ONT.—INQUIRY AS TO CONSTRUCTION OF ARMOURIES

On the orders of the day:

Mr. O. J. Godin (Nickel Belt): Mr. Speaker, I should like to direct a question to the Minister of National Defence. In view of the press release last week from the Department of Labour to the effect that in the Sudbury and nickel belt area there were 8,607 unemployed as compared with nearly half that number last year, or 4,352, and in view of the press report in the Sudbury *Daily Star* to the effect that unemployment amounted to only 1,800 in 1950, may I ask the minister whether the plan to erect new armouries in Sudbury which has been under study for some three years, and with regard to which the present government spoke of taking action, will be implemented shortly in order to alleviate the present unemployment position.

Hon. G. R. Pearkes (Minister of National Defence): No, Mr. Speaker, I do not think there will be funds available in the vote of the Department of National Defence to enable us to begin construction of that armoury shortly. We recognize the necessity for having an armoury there, and as soon as funds can be made available further consideration will be given to the building of the armoury.

TRANSPORT

GREAT SLAVE LAKE—REQUEST FOR TABLING OF REPORT ON ECONOMIC SURVEY

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I wish to direct a question to the Minister of Transport. Will the minister table the report which has been in his hands now for over a year on the economic survey made by the two railway companies with regard to the construction of a railway from Alberta to the shore of Great Slave lake?

Hon. George H. Hees (Minister of Transport): The report I have from the two railway companies is not a public document. It is a report they have made to me, and I do not propose to table the document.

AWARDS AND DECORATIONS

REPORTED REINTRODUCTION OF PEERAGES AND SIMILAR HONOURS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I wonder if I might address a question to the Prime Minister. It is not a matter of urgency, but it is one of general interest. In view of the stimulation aroused by the story in last Saturday's *Citizen* as to this government's intention to reintroduce peerages and similar honours, would the Prime Minister end such discussion by giving a negative indication?

Mr. Speaker: I think the hon. member will appreciate that he is entering into the realm of policy which might better be left to be declared when it is decided.

Hon. Paul Martin (Essex East): May I suggest that the reaction to this question—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): The hon. member for Port Arthur has asked a perfectly legitimate question, and it is up to the Prime Minister as head of the government to indicate whether or not he wishes to answer it. I suggest that the question is a proper one, and the hon. member has a right to expect some kind of answer from the Prime Minister.

Mr. Speaker: I am sorry that I cannot agree with the hon. member for Essex East, who is a very experienced member and who knows what it is proper to ask in matters of policy. This is an inquiry into something which has no immediate urgency or reality, as the hon. member himself stated. If it were a question of whether any recommendation had been made, or something of that kind, I would permit it; but a simple question as to policy in general is, I think, going too far.

Hon. Lionel Chevrier (Laurier): May I be allowed to point to a precedent in this case. I remember that when I sat on the other side of the house a similar question was asked of a former prime minister under similar circumstances, and he made a reply and stated quite clearly what the attitude of the then government was with reference to this question.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, apparently that event must have remained in the hon. gentleman's mind, because that would be the only occasion when such a thing had actually happened. So there will be no misunderstanding about this question I have simply to say this. This is another of the speculative articles whose only foundation is in the mind of the person who wrote the article.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I might ask the Prime Minister a supplementary question. Will the Prime Minister say whether he considers this parliament bound by the Nickle resolution?

Mr. Speaker: The hon. member is asking the Prime Minister to express an opinion.

Mr. Pickersgill: Exactly.

Mr. Speaker: That is an opinion on law and he knows that opinions on questions of law are not given in the house.

Mr. Pickersgill: With great deference, Mr. Speaker, I was asking an opinion on a question of fact.

Mr. Fisher: Mr. Speaker, the reason I asked the question originally was the type of question the Prime Minister used to ask regarding the Canada medal when he was in the opposition. I wonder whether I could ask a supplementary question with regard to the Canada medal. Has the Prime Minister given any consideration to introducing the Canada medal into active service?

Mr. Diefenbaker: No consideration whatever has been given to it. I seem to recall that Mr. King brought this into being, and having brought it into being it became one of the finest and most sought after collectors' items in this country.

Mr. Pickersgill: No one has ever got one yet.

AGRICULTURE

EGGS—REPORTED REDUCTION IN PRICE BY WESTERN PRODUCE ASSOCIATION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Agriculture arising out of information I have that the western produce association ordered a reduction of 3 to 5 cents in the price of grade A large eggs and 3 to 4 cents in the price of grade A medium eggs.

Will the minister say what steps have been taken to assure to producers a fair support price on all grades of eggs, and whether both these reductions have now been prevented?

Hon. D. S. Harkness (Minister of Agriculture): I think the hon. member's information is incorrect. I have no information along that line. I think there is some confusion over the fact that some 10 days ago the western produce association members met together and decided to reduce the price of extra large grade A eggs by some 3 to 5 cents, thereby, I think, perhaps laying themselves open to investigation under the Combines Investigation Act; but in any event we took steps something over a week ago now to ensure that this reduction did not go into effect.

Mr. Argue: Mr. Speaker, there was a typographical omission in the question. As the minister very properly said, the question was with regard to grade A extra large eggs. I had intended this as a supplementary question to the Minister of Justice in any case after the reply of the Minister of Agriculture. May I ask the Minister of Justice whether the officials of the Combines Investigation Act are making an investigation into the very serious charge by certain agricultural representatives that the western produce association in practice appears to constitute a combine under the Combines Investigation Act?

Hon. E. D. Fulton (Minister of Justice): This is the first time that the matter has been brought to my attention; therefore I am not posted on it. But I will inquire and give the hon. gentleman an answer later.

(Translation):

HOUSE OF COMMONS

EXTENSION OF SIMULTANEOUS TRANSLATION SYSTEM TO PRIME MINISTER'S OFFICE

On the orders of the day:

Mr. Marcel Boivin (Shefford): Mr. Speaker, I should like to direct a question to the Prime Minister. Could he tell us whether he has had set up, in his office, a listening device connected with the simultaneous interpretation system of the house?

(Text):

Mr. Speaker: That is not a question for the Prime Minister but for the House of Commons.

Right Hon. J. G. Diefenbaker (Prime Minister): I can simply say very definitely no. I tried that last year as an experiment. I found out, however, that there were always certain voices on the machine.

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR COMBINATION OF ALL STATISTICS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Minister of Labour arising out of the confusion that is in many minds regarding unemployment statistics, for which we seem to have three sets of figures, namely D.B.S., unemployment insurance registration and the Martin bureau figures. Will the minister consider the production of new statistical means of following the course of unemployment that would combine the unique features of all three?

HEALTH INSURANCE

QUEBEC—INQUIRY AS TO INTENTION TO PARTICIPATE

On the orders of the day:

Hon. Paul Martin (Essex East): May I direct a question to the Minister of National Health and Welfare, and ask him whether or not any negotiations are under way between the province of Quebec and the federal government with respect to the possible participation of Quebec in the hospital insurance plan, which was passed in this house as a result of the initiative taken by the St. Laurent government?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I may point out, despite what the hon. member for Essex East said about the legislation having been inspired, one might say, by the St. Laurent government, that it was the Diefenbaker government that made it possible for this act to come into force six months earlier than would otherwise have been the case.

I would say there are indications that the province of Quebec is interested in the hospital insurance plan.

Mr. Martin (Essex East): My question was whether there were any negotiations between the minister and his opposite number in the provincial government.

Mr. Monteith (Perth): No negotiations are going on at the moment.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, January 26, consideration of the motion of Mr. W. H. Jorgenson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Pearson.

Mr. H. C. McQuillan (Comox-Alberni): Mr. Speaker, I wish to add my congratulations to the many that have already been extended to the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne. I should like to say to the hon. member for Provencher that I have been thoroughly indoctrinated in agricultural thinking, because I find I have little support in this particular section of the house. I also wish to extend congratulations to the hon. member for Montmagny-L'Islet who seconded the address in reply to the speech from the throne. I want to thank him for the effort he made to bring about greater unity in Canada.

The speech of the Leader of the Opposition (Mr. Pearson) was also particularly masterful in that his accusations against the government of fumbling and bumbling were a bold attempt to cover up what has plagued his party for a good many years. Some of his fellow members betrayed him rather badly in subsequent speeches. The Liberal party professes to be a free trade or low tariff and free enterprise party, but almost invariably its members cry in the house, if not directly then by inference, for tariff protection or federal financial assistance for industries in their own constituencies.

The Liberals got along fine as a government as long as Canadian industry had a sellers' market in a goods-hungry post-war world, as long as Canadian industry could keep pushing up the prices of its products to meet increasing costs created by spiralling inflation and taxation in the post-war years. But, Mr. Speaker, when we hit a buyers' market the Liberal balloon soon deflated, and it is going to take a lot of patching before they will ever get it into the air again. Speaking of fumbling and bumbling, they bumbled their way last night into supporting a socialist amendment in the house.

The leader of the C.C.F. group also did a good deal of fumbling in his half hour masterpiece. He talked about the plight of the poor farmers in Saskatchewan, that C.C.F.-governed province, and how inflation was squeezing the life out of them. Yet one of the leaders of his party, a former member of the house, advocates a policy for labour that must inevitably lead to increases in the cost of the goods and equipment that the farmers must buy.

I have every sympathy for the farmer. I was born on a farm, and as a boy I worked many a long day on the land. I worked on a Saskatchewan farm in the days of the harvest excursions, when men used to come from the far west and east to help in the harvesting of the crop. Those were the days of an earlier radical group known as the I.W.W. I refused to be prevailed upon by members of that group to throw a pitchfork into the separator, weary as I was sometimes and tempted to do so.

I have been in Saskatchewan several times in recent years, and I spent some time there last fall. I drove through most of the agricultural area of Saskatchewan, even getting up to their prosperous timber area. I am a fairly observant person, but I did not see any evidence of the dire poverty and distress that we hear so much about in the house from the hon. member for Assiniboia (Mr. Argue). I hope, Mr. Speaker, that I can be broadminded enough not to condemn all the farmers of Saskatchewan if the proposed march to Ottawa takes place by some of them who have been whipped into mob

hysteria by irresponsible people both in and out of Saskatchewan. I do not know where they think the money will come from to give them approximately $250 million in so-called deficiency payments which they are demanding. I do not think they really care. Perhaps they are naive enough to think it can come from increased taxation of other Canadian industries. They may even think that it can come from an industry with which I have been connected for a great part of my life. I refer to the forest industry.

I wish to speak about the forest industry for a few minutes. I think most hon. members are aware that the forest industry is by far the biggest employer of industrial labour in Canada. It provides a larger share of the payroll for Canada's industrial labour force than any other industry. It has the biggest capital investment in plant and equipment and is responsible by far for a greater part of Canada's export trade than any other segment of our economy. Its exports amount to approximately $1½ billion annually, or 30 per cent of Canada's total exports.

The industry has weathered the recession fairly well, largely through its own initiative in selling to export markets, and this despite the fact that our lumber exporters, mostly centered in British Columbia, have had to face a 20 per cent drop in export market prices during the last two years in order to meet world competition. The industry has been primarily responsible for the fact that unemployment in British Columbia, according to the latest figures, has not worsened over what it was at this time last year. In fact on my last check I found that there was considerable improvement in my own constituency. If mother nature does not throw too much snow, such as we are getting in Ottawa, on British Columbia's coast, I believe we can look for considerable improvement in the province's employment picture.

The forest industry is the highest taxed in the nation in two of Canada's major producing provinces, Ontario and British Columbia. This is because of discriminatory provincial income taxes that are a legacy of provincial tax-sharing agreements made by the former federal government, which left the way open for money-hungry provincial premiers to impose income taxes over and above those levied against any other industry. The royal commission on Canada's economic prospects stated in its report:

> —Canadians must guard against overrating the strength of their position in forest and mineral products; for most of such commodities, there are many closely competitive sources in other parts of the world.

I should like to suggest to the Minister of Finance that the first step in implementing this recommendation of the Gordon commission would be for him to help these industries to rid themselves of the iniquitous, discriminatory taxes from which they suffer in the two provinces I have mentioned. I know that in British Columbia these taxes are discouraging much potential new capital investment which would go a long way toward beating the unemployment problem there. In my opinion that is the right way to defeat the unemployment problem.

I also suggest to the Minister of Trade and Commerce that his department should spare no effort and, indeed, that they should extend themselves in helping the forest industry to maintain and expand its markets. Sometimes I get the impression from statements made in the house that the only export commodity Canada has is grain. I should like to remind the house and particularly the Minister of Trade and Commerce that there are many other commodities with respect to which the officials of his department could extend themselves. These forest markets are British Columbia's living.

In view of the tremendous part that the forest industry plays in Canada's economy I should like to make a suggestion to the Prime Minister, and I hope he will not treat it lightly. I think the time is long overdue for a government department which is primarily concerned with Canada's forests and forest industries. Some of you might think I am looking for a job, but that is far from my mind. The need for this department is obvious if one just reads the trade statistics.

Another problem which faces our forest industries in British Columbia, and a very pressing one, is that of freight rates. If I might misquote a song from the musical play "Oklahoma", that last one was about as far as we can go, in fact it was a little bit farther than we can afford to go. If there were another such increase we would be faced with the loss of most of our rail markets. I do think it is high time we faced our railway problems realistically. It may be that we will have to sacrifice some of our unnecessary and costly passenger or freight services throughout the country. We must hold the line on freight rates or our export industries will soon find themselves priced out of their markets. If the prairie grain producers need, and I do not dispute that they need, special consideration in the form of the Crowsnest pass freight rates, then I do not believe it is fair that other exporters should have to pay for this special treatment.

While on the subject of freight rates, I may say that on the Pacific coast we have a coastal

freight rate problem which I am afraid is worsening very quickly. Up to last spring we had three major steamship companies serving the British Columbia coast—the Canadian Pacific, the Union Steamship Company, which served the coast for over 50 years, and the Northland company. I do not count the Canadian National. They have one luxury cruise ship which makes a few trips during the summer, but its sole contribution during the winter months for the last few years has been to provide accommodation for visiting Grey cup fans. For many years the Canadian Pacific and the Union Steamship Company received varying subsidies and did provide an excellent coastal service.

Shortly after the war the Northland Steamship Company entered the coastal service and last summer acquired two vessels from the Canadian Pacific, and the Canadian Pacific retired from the upper coastal area and the west coast of Vancouver island. It is my understanding that they agreed to stay out of these areas as long as the Northland company provides service. The management of the Northland company succeeded in arranging for quite a substantial subsidy from this government. The Union company, which had been operating without a subsidy since January 1958, continued operating but were unable to successfully negotiate a subsidy. Their financial position steadily worsened, to such an extent that a few days ago they found it necessary to sell their fleet to the Northland company. Now, instead of two or three junk fleets, we have one great big one. The Northland company now has a virtual monopoly of the British Columbia coastal steamship service, except from Nanaimo south along Vancouver island.

Recently I have received a number of communications on this subject, and I should like to read one or two excerpts from them. These are the first communications I have received, but I know there are many more to come. I have a telegram here from the village of Sointula on Malcolm island. It reads in part:

> With the cessation of Union Steamship services last week we find that Sointula is deprived of southbound passenger service entirely. Northbound being restricted to eight passengers on a tramp freighter which accommodation is intended to take care of other ports besides. This situation is ridiculous and we trust that you will take it up with the Minister of Transport for early correction.

I have another letter here from a man who has spent his life in the upper coastal area where he and his son operate a small sawmill. He says:

> Again we are being thrown to the wolves. Yesterday we were informed by the Union Steamship Company that they were being taken over by the Northland company and that the *Catala* was off the run. We were also notified that our mail and perishable freight would be delivered either at Alert Bay or Beaver Cove as we wished, but no days yet announced.

It goes on to say many more things, and he informs me that if I do not do something about this I will not be down here after the next election. He is quite justified in telling me that.

There will be disruptions and cancellation of service, as well as rapidly increasing freight rates. They have a little gimmick in coastal freight rates in that they have cubic and per ton rates. I do not know just who decides whether an article is to take the cubic or per ton rate, but 40 cubic feet are supposed to represent a ton. Wherever there is no competition the steamship company uses the cubic rate. As a result it simply means that to send 100 loaves of bread a couple of hundred miles up the coast it will cost somewhere between 6 cents and 10 cents a loaf. I have another letter here from a man who lives 100 miles north of Vancouver, in which he points out that it costs him $24.70 to get 1,000 feet of lumber from Vancouver.

As I said before, there will be disruptions and cancellation of service, as well as rapidly increasing freight rates, unless the government provides subsidies in order to maintain the rates at their present level. These subsidies are going to be on the Northland company's terms, or there will be no service or freight rates will be so exorbitant they will seriously jeopardize the economy of many communities and undoubtedly drive many businesses and residents out of the area. This is an area, Mr. Speaker, which is one of the first to have a short labour supply whenever there is anything resembling prosperous conditions in the country, because of the isolation and the fact that people with families do not want to live there. This area produces much of the raw material for the plywood plants and other industries on Vancouver island and the lower mainland.

I have been concerned for the past year about the possibility of such a situation as has arisen, and have repeatedly brought the matter to the attention of the minister concerned and some of his officials. However, the concern seemed to be all mine, and here we are with the worst coastal transportation problem in British Columbia's history staring us right in the face. I should like to tell Vancouver members to take an interest in this matter, because if those mills in their constituencies run out of logs because no one will live up the coast to produce them, they are going to have an unemployment problem that will make their present one look like prosperity.

Even without any deterioration of the coastal service as it has existed for the past few months there is the matter of the mail service to many of the small coastal communities, which is a source of annoyance and inconvenience. Some of the communities are fortunate enough to have first class air mail service, while others receive their mail by infrequent boat service. This situation exists despite the fact that small float planes shuttling passengers to and from Port Hardy airport frequently pass by all these communities. I have taken this matter up with the Postmaster General, and he has undertaken to investigate it and have a report made.

The second class mail constitutes a real problem. Very few people in that area subscribe to newspapers any longer, because by the time they get them they are perhaps 10 days or two weeks old. One woman told me that second class mail service is so poor that when she ordered a pair of shoes for one of her children, by the time she received the shoes the child had outgrown them.

Mr. Speaker, I should like to compliment this government, the Prime Minister, the Minister of Finance, and in particular the Minister of Trade and Commerce, for the lead they took in arranging for the commonwealth trade conference held in Montreal last fall. There is no question but that this was a worth-while conference. Much was accomplished and I think much more can be accomplished by another one in the near future. I would suggest that the motto be to have a commonwealth trade conference again in 1959.

Mr. Broome: In Vancouver.

Mr. McQuillan: Yes, in Vancouver. I want to pay tribute to the Prime Minister and his ministers for the lead they have taken in, as one might say, rejuvenating the British commonwealth of nations. It is showing increasing strength day by day. The Prime Minister's journey to the commonwealth nations scattered throughout the world was a worthy effort to make a stronger commonwealth. I sincerely believe that the British commonwealth of nations is and can be for many years to come the greatest force for peace that we have in the world.

(Translation):

Mr. Maurice Bourget (Levis): Mr. Speaker, before saying what I have to say about the address in reply, may I tell you how happy I am that you are again presiding over the proceedings of this house. I am confident that, as in the past, you will be doing so with tact, judgment, impartiality and at the same time with some leniency.

I should also like to mention, Mr. Speaker, that one of our colleagues who took sick some ten days ago is with us today, and back in good health. I refer to the hon. member for Burin-Burgeo (Mr. Carter).

I too would like to join the previous speakers in extending congratulations to the mover (Mr. Jorgenson) of the address in reply who spoke knowingly of the problems of his electors, who are farmers. I think he performed his task in responsible and eloquent fashion.

As to the seconder of the address, the hon. member for Montmagny-L'Islet (Mr. Fortin) a distinguished son of the constituency of Levis which I have the honour to represent here, I want to say that his was an excellent speech. I have no doubt, Mr. Speaker, that he will follow in the footsteps of his father and grandfather, and will worthily represent the constituency of Montmagny-L'Islet.

I was particularly happy to hear it stated by the hon. member for Montmagny-L'Islet that he considers the province of Quebec to be like any other province. It was something new, Mr. Speaker, because ever since we have had the Union Nationale in the province of Quebec, I do not recall having heard a French-Canadian Conservative member of the province make such a statement. I congratulate him, because he thereby recognized that we Liberals, in the past, were right to say that the province of Quebec is a province like all other provinces. I hope, for the good of our fellow citizens, that these words will not only be repeated but acted upon.

May I be allowed also, Mr. Speaker, to refer to the presence this morning in the gallery of our good friends from Montreal, the radio and T.V. employees, who, despite their long drive of 120 miles, despite the hardships they have put up with these last four weeks, seem to me, although I can only see them some distance away, to still display that smile that we are so happy to see on our T.V. screens in the province of Quebec. Well, may I give them a word of encouragement. I believe there is a glimmer of hope for them, because yesterday, following the questions

asked by the member for Laurier (Mr. Chevrier) who, since the beginning of the session, together with his colleagues from Montreal in particular, has shown interest in their problem, a minister has said here yesterday, and even has repeated today that their strike is not illegal.

My colleague from Gloucester, N.B. (Mr. Robichaud), has just been telling me that His Eminence Cardinal Paul-Emile Leger, Archbishop of Montreal, referred to the C.B.C. producers' strike in an address given yesterday evening before the alumni of College Ste. Marie. His Eminence stated, and I quote:

> Like the Ste. Marie alumni, everyone has the right of association. The C.B.C. strike is nothing else than that. That right, and we have examples of this every day, must be asserted.

Since we were told yesterday and again to-day by a minister of the crown that this strike is not illegal, there is every reason to hope that, in due course, the government will do something or, at least, will agree to the hon. member for Laurier's request that the negotiating committee on radio be convened at once to hear this case and the government's case at the same time.

At any rate, on behalf of my colleagues, I welcome these visitors and hope that their stay among us will be as fruitful for them, their families as for all those who, in French-speaking communities in Canada, and particularly in the province of Quebec, are anxious to see these smiling faces again on television.

An hon. Member: Cheap politics.

Mr. Bourget: Cheap politics! There again, Mr. Speaker, is the hon. member for Roberval (Mr. Tremblay) who, each time a member from the province of Quebec has the floor, indulges in interruptions, each one of them more stupid than the last. Instead of making those stupid interruptions, if he is not interested in the debate, why doesn't he stay cooped up in his office and try to find ways which might spur the government of his friends of the Union Nationale to allow universities to accept federal grants, for instance, and the province of Quebec to get the funds which the federal government puts at the disposal of the provinces.

Mr. Tremblay: Mr. Speaker, on a point of order. I should like to point out to the speaker—

Mr. Bourget: Mr. Speaker—

Some hon. Members: Order! Order!

Mr. Chevrier: Order!

Mr. Bourget: If the hon. member has any question to ask me, I have no objection to answering him, but if he wants to make a speech—

Mr. Tremblay: On a point of order!

Mr. Deputy Speaker: I would ask the hon. member for Levis to sit down when the Speaker is standing. May I point out to the hon. member for Roberval that he is allowed to ask a question to the hon. member, but that he may not interrupt and make a speech of his own while the hon. member for Levis has the floor.

Mr. Tremblay: Mr. Speaker, may I be allowed a remark? My point of order was that the hon. member for Levis has credited me with remarks that I did not make in this house. I made no comment; I simply pointed out to the colleague with whom I was chatting that the hon. member was being a demagogue. I also would point out, Mr. Speaker, that not only am I not opposed to the producers, but that I even made unofficial representations on their behalf.

Some hon. Members: Order! Order!

Mr. Habel: This is a speech!

Mr. Bourget: Mr. Chairman, I find that the hon. member for Roberval did not ask a question. If he has not said the words I attribute to him—

Mr. Tremblay: I don't put questions to ignoramuses.

Mr. Bourget: Mr. Speaker, when the hon. member talks of anyone acting like a demagogue, we know that he has perhaps been more of a demagogue here than anyone else.

Mr. Tremblay: Liberals are pretty good at it.

Mr. Bourget: Mr. Speaker, I do not think that we are being demagogues at the moment. They are the ones who, in the province of Quebec, practised demagogy more than anyone. So much so that today, they are forced to take back all that they have ever said.

Well, Mr. Speaker, I regret this digression; however—

Mr. Tremblay: Your eloquence is missing the mark.

Mr. Rouleau: The professor again.

An hon. Member: He will never learn.

Mr. Bourget: Mr. Speaker, is there a special set of standing orders in the house, for any special member?

Mr. Rouleau: A special professor!

Mr. Bourget: When the hon. member for Roberval wishes to have the floor, he can have it. I must tell him that I am not in the habit of interrupting other members. I have been sitting in this house for 19 years, and I do not think I have a reputation for butting in. When I put a question to the person who has the floor, I at least have the courtesy to ask his permission.

Mr. Chairman, I shall go on with my remarks.

I was saying that I wanted to congratulate the mover and seconder of the address in reply, and also Mr. Speaker. However, I am sorry I cannot so heartily congratulate the government which has been managing the affairs of Canada since June 1957.

Since the opening of this debate, our leader and other Liberal members have shown up with undeniable evidence the weaknesses of the present administration.

In the few minutes I have at my disposal, I should like to deal chiefly with one of the most significant problems of the day, unemployment, and particularly to analyse, in the restricted field of unemployment, the effectiveness of the winter works program put forth by the federal government.

The letter that the Minister of Labour (Mr. Starr) sent to members of parliament last November 20—informing them of the government's proposals to the provinces in connection with the campaign for the promotion of winter employment in the municipalities, was accompanied by a copy of the letters he had sent to the various provincial premiers, outlining the same program. In these letters to the premiers, the Minister of Labour stated in detail the conditions governing the federal government's offer. There were fifteen conditions, and the third listed the types of allowable projects, subject to acceptance of each winter works project. Among the projects that could be undertaken by municipalities and in which the government agreed to share the costs, were the following:

(a) Construction and major reconstruction of streets, sidewalks and roads, except main highways.

(b) Construction and major reconstruction of waterworks, sewers and storm sewers, not including buildings.

(c) Construction and development of municipal parks.

Later on, the following were added:

Municipal playgrounds, whether located inside or outside a municipal park, excluding school playgrounds.

[Mr. Bourget.]

For these classes of acceptable projects, the government of Canada, subject to approval of each project by the provincial government, will refund to each municipality one-half the direct cost to the municipality (or to its contractors or subcontractors) of salaries paid during the period from December 1, 1958 to April 30, 1959 for the carrying out of accepted winter works covered by this proposal.

Such was the outline of the offer made by the federal government to the provinces for its winter works program. The program was widely publicized, the hon. Secretary of State (Mr. Courtemanche) even gave a talk about it on television on December 22 last—the producers were not on strike at the time. In the course of his remarks he said among other things:

However, the Diefenbaker government has taken every possible step for relieving unemployment on a large scale. This comes as a surprise to many Canadians. The Liberals had accustomed them to another, somewhat ostrich-like, policy. The ministers were content to deny that there was any unemployment, leaving provincial governments, municipalities and individuals to face the problem.

No matter how much we protested, or pointed out all kinds of dangers and threats that could easily have been met or averted, the previous administration always disclaimed responsibility. For them it was enough to say for instance: "We must not allow ourselves to be intimidated by the fear of unemployment, leaving provincial governments, unemployed, provincial governments and municipalities.

The response of the Diefenbaker government has been different. It has not eluded the problem. It has accepted it and is doing its level best to find an adequate solution.

Mr. Speaker, I point out that the Secretary of State claimed that the government had not eluded the problem, but then I say to the Secretary of State that the government did not solve the problem either.

Before going any further, I want to tell the hon. Secretary of State that if we Liberals had accustomed the people of Canada to an ostrich-like policy, we certainly did not keep our heads buried in the sand as long as did the Conservatives, because workers never had to put up with as much unemployment as there has been since the Conservatives took power.

I wonder also if before delivering his address, the hon. Secretary of State carefully considered the practical impact of this winter employment program on the unemployed and the municipalities of this country.

Before telling him exactly what this means, I would like, Mr. Speaker, to say a few words on the background of the unemployment question. We recall, no doubt, that during the fall of 1957, when employment was growing alarmingly, Liberal members, one after the other were trying to induce the government

to take the necessary steps to alleviate the situation. Contrary to what the hon. Secretary of State (Mr. Courtemanche) said in his talk it was not the Liberals who were in power then but the Conservatives, and the Conservatives were the ones who refuse to admit that there was unemployment then. And, it is only by the end of January, on the eve of the general election, that the Conservative government recognized that the country had unemployment and that the situation was becoming alarming. It is then that it admitted the existence of unemployment and claimed that if there was, it was the fault of the former administration. On March 31, during the election, the hon. Secretary of State as well as the other ministers and the Conservative members from the province of Quebec and the rest of the country emphasized the famous special public works program which was to cost $1,185 millions. Well, Mr. Speaker, we realized soon afterwards that the famous special undertaking of public works costing $1,185 million, publicized over television and radio, existed only in the minds of our opponents, because in the final analysis the amount of $1,185 million which was mentioned represented only the sum total of the amounts spent each year by every department which performs construction work. And, furthermore, the bulk of the projects included in that program of $1,185 million had been conceived and developed by the former Liberal administration.

Subsequently, during the session which opened in May of last year the Liberal opposition asked the government on different occasions to take the necessary steps to spare thousands of Canadian workers the distress they had to suffer during the winter months of 1957-58. It was only in July, on the 14th and 15th of July, to be exact Mr. Speaker, that a national conference on winter employment was called last year in Ottawa. Representatives of all provinces, and representatives of many Canadian associations, workers' unions, industries along with prominent economists took part in this conference. It seems to me that, after that conference, when the government could have taken advantage of the suggestions offered by that group of persons, the people of Canada were entitled to expect the government to come up with a faster and more generous solution than the one I mentioned in my earlier remarks. As a matter of fact, Mr. Speaker, the offer came too late because, according to the letter of the Minister of Labour to the provincial premiers, it was only in October, three months after the conference took place in Ottawa, that the provincial premiers were informed by telegram of the offer the federal government wished to make.

Anyone who has some knowledge of municipal affairs knows in the first place, that it takes several weeks to survey the sites, to draw up plans and specifications, to have them approved by council, to call for tenders and to go ahead with the work. Moreover, and I am referring to my province in particular, I must say that it was only on December 11 or 12, three weeks after the provincial session opened in Quebec, that the Union Nationale government enacted legislation authorizing municipalities to take part in this project and giving them the right to borrow the necessary funds to carry out those works without referendum. This, Mr. Speaker, was a further three week delay after the already belated offer of federal authorities in regard to those works. But what is even worse, in my opinion, than the delay in announcing this program, is the futility of the reimbursement offer made by the federal government to the municipalities. As a matter of fact, and still according to information provided by the hon. minister, the federal government agrees to repay to each municipality half of total salaries paid between December 1, 1958 and April 30, 1959. Now, Mr. Speaker, as an engineer with some experience in the type of works referred to in this offer, I can state positively with many others that labour costs in those various projects represent at most 20 per cent of the total costs of works when performed in the summer. I would not like to venture an opinion on the higher cost of winter works in the other provinces since I did not practise my profession in those provinces. However, I do know from experience that, in the province of Quebec, and particularly in our area, winter works cost from 15% to 20% more. This increase, Mr. Speaker is made up of higher labour costs amounting roughly to 80 per cent; and 4 per cent higher cost of materials, machinery, "borrowed material" and other things to which the government offer does not apply because the government is not paying anything as regards materials or machinery.

Let me give you as an example a waterworks project. I use that example because I think that, in Quebec or other parts of

Canada where almost the same climate conditions prevail, it would be quite difficult, to undertake anything but waterworks and sewer projects. Let us say, for example, that a municipal corporation has in mind some waterworks project which would ordinarily cost $100,000, i.e. $20,000 for labour and $80,000 for equipment and material. The same work done in the wintertime will cost $119,200, i.e. $36,000 for labour and $83,200 for equipment, materials, etc. Then, in the present case, under the federal offer, the municipal corporation would get 50 per cent for labour, 50 per cent on $36,000, or $18,000. The municipality will therefore have to pay an extra $1,200, i.e. the difference between $19,200 and the $18,000 it will get from the federal government.

I don't believe it can be said that the government has been over-generous and that our municipalities should be enthusiastic over that highly publicized offer. The example I just gave is based first on my own experience of municipal works and my opinion is corroborated by studies made by the city of Quebec technical services on some projects which they propose to submit to the federal government.

In the paper *Le Soleil* of December 17, 1958, there is an article which reads as follows:

> Quebec will launch a $500,000 works program to cut down unemployment.

Two days later, on December 19, the same paper published an editorial entitled:

> The city—

—meaning Quebec.

> —will do its share, but without much enthusiasm.

And here is a part of the article that will be of great interest to hon. members. I quote:

> Municipal authorities have decided to take advantage of the federal law which provides financial assistance to municipalities for winter works projects to reduce unemployment throughout the country. The council's decision was not taken in a surge of enthusiasm. Council members resigned themselves to the idea with the conviction that it was only a lesser evil. Explanations which were given at the last council meeting when a list was drawn up of works to be undertaken in mid-January,—

And, according to the latest information, these works will be undertaken only by mid-February. Then—

> —showed that municipal authorities are convinced that they are making a bad deal. The works amounting roughly to $500,000 will yield $186,000 in salaries. From 100 to 200 persons will be employed for about three and a half months.

[Mr. Bourget.]

I repeat, 100 or 200 persons, when there must be at least 15,000 unemployed in the city of Quebec. They will employ from 100 to 200 persons during two or three and a half months.

> Even if the federal government is to pay half of the labour cost, the city would spend $5,000 more on that works program than if the work had been done during the summer, at the city's own expense. It is obvious that this initiative on the part of the city which it could hardly avoid taking, will be of little help in relieving unemployment within the city. A small fraction only of our unemployed will benefit from it, and on the whole it will be a very slight impetus to the Quebec economy in general.
>
> That is why council members said that the federal legislation is inadequate.

Furthermore, the mayor of Quebec stated the following, as recorded in *Le Soleil* of December 1958. I quote:

> The city is undertaking those projects solely to help the unemployed; in fact, from the administrative point of view, the city is not making a good deal.

This seems to me a good example to bring forward at this time. Besides, other municipalities are reacting in the same way. After all they fully realize that they will be called upon to pay 100 per cent or even more of the costs of the works which they would decide to undertake in the course of that period.

I should like to add that in the province of Quebec municipalities are worse off than elsewhere; indeed in certain provinces, like Ontario, Prince Edward Island, Alberta, Saskatchewan and Manitoba, it was deemed proper, no doubt after considering the program and what I would call the federal government's measly offer to municipalities, to contribute additional amounts varying between 25 to 30 per cent of the cost of salaries.

In the province of Quebec, the Union Nationale government usually proves itself quite large-handed when awarding contracts, yet it did not see fit to vote a penny to assist the 175,000 or 200,000 unemployed we now have in the province. However, the provincial government keeps repeating, especially in election time, that the financial situation of the province is just fine, that it is the best of all provinces in the confederation. Well then, why not help out the municipalities under the circumstances?

In the past our opponents consistently claimed that the responsibility for a solution to the unemployment problem lay mainly at the door of the federal government. Well,

it is a sad thing to see this fast reversal of policy, since after all, as I said, the share paid by the federal government in those projects is nominal and, in the province of Quebec, the financial assistance given by the Union Nationale government is nil. As was so pointedly stated last Wednesday by the hon. member for Laurier, it is certainly not with four, six or eight million dollars that we can hope to improve the situation of the 600,000 unemployed in Canada.

I was therefore correct in saying that this federal government project, like last year's famed public works program, is nothing but eyewash.

I shall be urged to be objective, to state what solution the Liberal party would have offered under the circumstances. I see that my speaking time is running short, but I would suggest that my hon. friends look up the program that the Liberal party offered to the Canadian people in the last election. They will see, in the section dealing with aid to the municipalities, what we would have done, they will find that we would have paid a greater part of the total cost of the works, so as not to let the full burden rest, once again, on the municipalities, which, Mr. Speaker, now have to pay at least six, and in certain cases up to seven per cent interest on loans.

In my constituency, no municipality is sharing in this program, because they cannot afford it. I know that my hon. friends opposite share my view in this regard and realize that our municipalities, particularly in the province of Quebec, cannot afford to share in this program. The reason is not, Mr. Speaker, that we have no unemployment, no cases of hardship. Actually, in mid-December 1958, there were 4,447 applicants registered at the Levis office, and the figure must now have reached close to 6,000, not including those who have not registered.

I said a moment ago that we would have contributed a larger share of the total cost of the works. In fact this government could have done as much if it had known how to manage those expenditures wisely, without any extra cost to the Canadian taxpayer. It only had to grant ½ of 1 per cent less interest on the bonds of the last conversion loan. This would have meant a saving of at least 15 to 20 million dollars which could have been applied to this winter work program. But this was not done, Mr. Speaker, because it is quite apparent that, since they took office, our friends opposite have no time to think; they are satisfied with proceeding on a piecemeal basis.

As I said, this government must take the blame for its lack of action and for having no definite projects in mind to alleviate the problems which we must meet, and also for failing to take steps which were imperative.

Mr. Speaker, I hope I shall not be told that my approach has been merely negative. On the contrary I have tried, during those few minutes at my disposal, to be as unbiased as possible in showing the weaknesses of that program while suggesting one way to solve the problem or at least to improve in a substantial way the winter works program now submitted to the population by the Conservative government.

(Text):

In my closing remarks, Mr. Speaker, I wish to repeat my leader's appeal to the government to conclude this debate immediately and proceed at once with legislation to deal with the unemployment problem. So long as the government persists in prolonging the debate and delaying action the Liberal party will take its part in the debate, but we are ready to have the vote now and get on with the nation's business.

(Translation):

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I admit that at first this session of parliament had me scared. There had been talk, on the Liberal side, of a definite offensive, of a bold stroke. All the press had been forewarned and we were promised a battle worthy of Thermopylae. The Liberals, according to the press were coming to Ottawa armed cap-à-pie.

Mr. Speaker, I have always feared war. But the knowledge that you would again referee our debates brought me a measure of comfort. I told myself that your qualities, which I had had the opportunity to appreciate, would constitute a defence in case the enemy attempted to pulverize me. Besides, I knew I could count on the courage and the virtues of the hon. Deputy Speaker, (Mr. Sevigny), who is also a great fighting man.

Very fortunately, to take our minds momentarily away from the atrocities of war, there were the magnificient ceremonies which marked the opening of this session and the encouraging addition of three new members to our ranks. I offer my most sincere congratulations to the new members for Grenville-Dundas, for Springfield and for Montmagny-L'Islet, (Mrs. Casselman, Mr. Slogan and Mr. Fortin).

Yet, ours was not unalloyed joy for at the same time, came into this house a new Liberal soldier, wounded, it is true, but victorious in the short counter offensive of Trinity (Toronto). With all my heart, Mr. Speaker, I offer to this hon. colleague my humble congratulations.

The speeches heard subsequently were quite reassuring. The mover of the address in reply to the speech from the throne, the hon. member for Provencher (Mr. Jorgenson), who had told us quite realistically of farm problems, deserved for his contribution as many warm congratulations as the seconder of the address, the hon. member for Montmagny-L'Islet (Mr. Fortin), who gave us his views on national unity.

But Mr. Speaker, it was no longer possible to put off the fray. I shut my eyes when I heard the first shot of harquebus from the Leader of the Opposition (Mr. Pearson); but at the second shot, I opened them. At the third shot, I watched the Liberal captain sighting his weapon. It failed to go off. His powder-horn was empty. I realized, that after all the harquebus is a rather obsolete weapon and I realized that the war was over. And now the arrows of the old pensioned officers or the pea-shooters of the adjutants cannot scare me. Their fighting methods are much too primitive.

Mr. Speaker, before I deal with the subject I intend to discuss, I should like to protest with the utmost vigour against the words and ulterior motives which the hon. member for Levis (Mr. Bourget) ascribed to me a while ago. I stated, when a point of order was raised, that I had not said the words that were put into my mouth, for I indeed did not say them.

Mr. Speaker, not only did I not show any intention of rising in protest against the demonstration we witnessed today but for the past week I have been sitting down with C.B.C. producers for hours, and even late into the nights, discussing the matter so that I could have a fair view of the situation and that I could enlighten, if possible, my government.

Mr. Speaker, it is not my intention to comment beforehand on the rights and facts involved in the C.B.C. producers' strike, but I shall state here most emphatically that due process of law, fairness and uprightness should prevail all along the line, instead of sheer electoral demagogy.

[Mr. Tremblay.]

Hon. Lionel Chevrier (Laurier): Mr. Speaker, will the hon. member allow me to ask a question?

Mr. Tremblay: Certainly.

Mr. Chevrier: Mr. Speaker, it is in the name of this fairness, referred to by the hon. member, that I ask the following question: Why should not the government intervene to settle this dispute?

Mr. Tremblay: Mr. Speaker, the hon. member for Laurier's deftness in dealing with questions in the past should now enable him to answer the one he just asked me. For the last few days, he has been asking questions in the house on this subject and answers were given. It is not my responsibility to answer on behalf of the ministers of the Crown, but what I want to say and state again is that I favour law, fairness—

Mr. Bourget: So do we.

Mr. Fortin: You are not that many for that purpose this morning.

Mr. Tremblay: —and truth.

Mr. Speaker, in closing my remarks on this subject, I must say that, like everybody else, I am anxious that this strike should come to an end according to the principles of justice and order, because as a professional teacher, I appreciate the importance of radio and television for the Canadian culture.

At the opening of my remarks, Mr. Speaker, I said that we had come to this session expecting it was going to be like war but I realized that we had better come back to peacetime and adapt ourselves to those conditions better than the Liberals adapted Canadian politics to peacetime after the 1939-45 war. In view of the general economic recession, this is indeed the chief cause of the conditions now prevailing in the country, conditions that are difficult without being extreme, even if we must understand that words alone will not improve them. The Liberals are attempting to show that the right hon. Prime Minister (Mr. Diefenbaker) contradicted himself on this matter. Because he stated that the Liberals are responsible for the present uneasiness and because he said, on the other hand, that there were signs of recession almost everywhere in the world, a contradiction has been discovered. Quite the contrary one statement only confirms the other. One indeed could expect that, following high-gear wartime production, industrial and

commercial activity would slow down to a level of stability. This quest for stability was necessarily accompanied by some groping and uneasiness characterized by a more or less severe recession. Such is the situation at the present time. It is in order to minimize the disastrous effects of this period of economic instability that the Liberal government should have taken constructive action. It must be recognized that no action was taken by that government because, as recently as the end of 1956, Canada was in the throes of recession that touched off a drastic business slump and unemployment.

This confirms and substantiates the hon. Prime Minister's claims that depressed economic conditions the world over are responsible for those now being felt here in Canada and which are all the more serious for the Liberals' inability to prevent the effects of this general recession.

That is why the Liberals are wrong in trying to evade their responsibilities. They say that the hardships facing the population of this country are no concern of theirs. They hypocritically wash their hands of the matter, because, as many of them have stated here, the Conservative government has been in office since 1957. They forget that when the government took over, the recession was already here. The Liberals knew it perfectly well, for before the election they concealed an economic report which cautioned them against impending dangers. Now, of course, they would like to pass the buck. They have neither the courage nor the sincerity to stand by their past actions. However, perhaps they still have the sincerity of the principles which they now dare to express, for instance: " to govern is to foresee". Why did they not foresee? Since the end of the war, from 1945 to 1957, twelve years have elapsed, mind you. Twelve years during which the Liberal government has had all the time it needed to adapt our country to peacetime conditions, to accumulate reserves, to restore the Canadian economy to normalcy and to foresee all the shocks which, in the international economic field, would necessarily follow in the wake of wartime conditions. They did not do anything of the sort. That is why they have no right now to cover their faces and say: "to govern is to foresee". They had to account for their actions. The people of Canada have judged them and have condemned them precisely because the Liberals had been unable to foresee. And if, in 1957, the people of this country, despite all the clamours of the Liberals, and despite their charges concerning unemployment or the recession, gave their support to the Conservative party, it is because people realized that the Conservatives were not responsible for these difficult times. They asked us to take over the government of the country and straighten things out. They asked us to provide for the future first by facing the problems of the day, and by repairing as best we could under the circumstances, the economy that the Liberals had let go to ruin.

Scarcely two years have elapsed, and already those Liberals, so vigorously castigated by the people whom they had mocked, were beginning to raise their heads once more, and trying again to capitalize on the good faith of the Canadians. They launched a press campaign to prepare the ground for this session; they prevailed upon newspapermen to write that the real problem of our present policy is not to try to find who is finally responsible for the economic recession, but to find a solution. Nobody will claim the contrary. But the press also has a no less imperative duty, that of recognizing the efforts of the government and to help the population to understand that no one can repair, in a few months, an economic structure whose foundations were so deeply shaken. This is the statement I found in *L'Action Catholique* of January 21:

> Indeed, each citizen has the right to discuss the advisability of such and such measure with a view to curing unemployment, but every citizen is bound to admit that the government faces its responsibilities and fulfills its duty by trying to promote employment.

Mr. Speaker, the Liberals have again taken up a tune which helped them to delude the Canadian people during the difficult years of the world economic depression. In 1930, after a bitter defeat, they secretly enjoyed seeing the Conservatives fight unemployment. In 1935, they beguiled the people by saying for instance: we will put an end to the recession and to unemployment. Everybody knows that, when the international situation had slowly recovered under the impetus of preparations for war, the Liberals had still done nothing to help the population, so that the new Quebec government, from 1936 on, had to—

(Text):

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

(Translation):

Mr. Tremblay: Mr. Speaker, before recess, I was saying that the Liberals had deluded the Canadian people by saying: "We will put an end to the recession and to unemployment." I added that it was a well-known fact that when the international situation had slowly recovered due to war preparations, the Liberals had still done nothing to assist the population so that the new Quebec government, from 1936 on, had to give direct assistance to the people of our province through public works and social security measures.

The war in 1939 saved the Liberals who were haunted by the depression and unemployment. The people credited them with Canadian prosperity until, around 1955 and 1956, they saw our economy floundering. They worried to the point of asking the Conservative party to take over in June 1957.

This time the Liberal party will not be able by means of a smear campaign to grasp control over the nation's affairs. People are watching, day by day, the work of the government they elected. They realize that this government is going out of its way to find efficient remedies to the evils which beset us. Above all, they accept the sacrifices made necessary by the nation's economic recovery. They do this to follow the example set by other countries which must also, in order to face their difficulties, impose on their taxpayers a regime of austerity; such is the case in Argentina and in France.

Another thing that people see is the unhealthy use being made by the opposition of the difficulties facing the government and the citizens. Political capital is being made of unrest, unemployment, and the suffering of citizens. Politics are being played with matters which, on the contrary, should call for reflection, sympathy and positive action. What have we been hearing here since the debates have been resumed? Cries of alarm, affected indignation, hypocritical profession of faith in principles of humanity and social benevolence so often betrayed and despised. Who spoke about unemployment in a way to unduly frighten the Canadian people? Who moaned, cried, vociferated about imminent catastrophes and irreparable disasters?

This show of assumed compassion has been given us by seasoned actors, by men who know every trick of expediency and artifice.

Mr. Speaker, one of the beneficial effects of this sadistic propaganda was to disgust an hon. member of the opposition who seems to be a member of that party without being one of its supporters. I quote him from *Hansard* of January 22, 1959, page 19 of the English appendix:

> I do not wish to play politics with unemployment. Too many members in this house use this calamity to play politics.

And later, he added:

> I believe that we should consider the question of unemployment from a human point of view and try to find a solution.

This was, Mr. Speaker, the voice of reason, of common sense, and in a word, of decency.

This call to order was bound to ring out amidst the shrieks of political passion. And it is interesting to note that that intervention came from the most fanatical of the opposition groups. Within the Liberal camp, such a note must really be too jarring, but in any event, it reveals that after two sessions, several Liberals have reached the point of saturation. There is certainly a new trend in the making, a trend which we feel sure will be in the direction of honesty and fair play.

We hope, for our part, that this change of heart on the opposition side will result in positive suggestions being made, instead of the bitter and negative criticisms we have been hearing so far. Indeed, it must be recognized that if, in fact, the situation of this country is as tragic as it is being represented to the people, it must also be admitted, Mr. Speaker, that we have been left alone to improve it. Who, in the opposition, has come forward with practical suggestions? Oh, of course, Mr. Speaker, there have been suggestions! The Leader of the Opposition (Mr. Pearson) stated, for instance, to the Minister of Labour (Mr. Starr): "It is your business". And the improbable member for Hull (Mr. Caron) who, as the man in the fable, would have pumpkins grow on oak trees, advanced the suggestion that to end unemployment Her Majesty the Queen, when she visits Canada, should pat Canadian babies on the cheek. On that occasion, he wrote this statement, which is well worthy of the dadaist school, and I quote from page 197 of *Hansard:*

> And when the Queen Mother went by, so close to the people, a woman held up her baby and the Queen Mother went up to the child and patted it. Imagine the feelings of this mother seeing the Sovereign of Canada go up to her baby.

Mr. Speaker, with all due deference to Her Majesty, I do not believe that the proposal of the hon. member for Hull could in any way relieve the present unemployment situation.

Who did provide us with suggestions for restoring the Canadian economy? The Liberals claim that they have always been wise and careful administrators. Have they? If this is so, why don't they put their wisdom and their experience at the service of the citizens and of the government? Do we have to corner them into doing it? Where are the improvident administrators that the people have condemned twice, in 1957 and 1958, and, in this case, why do they criticize and why do they spread confusion in the minds of citizens? If they are experts in the field of administration, they have no right to deprive the government of their valuable advice.

It must be admitted that the Liberals' contribution to the people of Canada has been rather poor these last few months. This contribution has amounted to no more than the selfsame grievances, voiced by the Liberal chieftains, parroted by the party's rank and file, and heeded only by professional agitators, whose function is to spread trouble and strife.

In this regard, Mr. Speaker, I am amazed at the similarity of the methods of those who, in Canada, incite aggressive claims, manage to insinuate themselves into our labour organizations, capitalize on the difficulties and disputes that happen between employers and employees, and the methods used by marxist propagandists.

This similarity is evident in their common desire to create disturbance in the minds and conscience of people, to alarm citizens by setting up the cry of real or fancied injustice. This first step is soon followed by the running down of authorities at all levels. They work on the principle that authorities always favour the strong, that the weak are necessarily always right, and that whatever governments might do, they will never be able to restore equity. This is the normal process of an impulse which, bred in the discontent which it has managed to create, leads to aggressive claims through direct attacks on authority and an assault against law and order.

Indeed, Mr. Speaker, I know what weakness and cowardice can often hide behind those words: order and authority. But beyond the people and individuals who, at a given time, hold the power, there is a principle which must be preserved, that of authority without which all is disorder and anarchy. I believe the time has come in this country to think about safeguarding this most important asset of society. Let anyone induce people to lose confidence in the institutions which govern them, and the decisive step has been taken towards irreparable social catastrophes. And here I am reminded of the warning given by Cardinal Leger in his recent pastoral letter on unemployment, and I quote:

> Labour unions may try through collective action to interest public opinion in their legitimate claims provided however that truth, justice and charity are always respected. Organizations must keep away from demagogy which is always an obstacle to genuine solutions, generates an unhealthy climate of class struggle and uselessly and dangerously increases bitterness and resentment. The activity of the organizations must tend to enlighten the minds and stimulate the wills towards practical achievements. This is the climate that will generate an authentic spirit of co-operation without which there can be no real solution.

This appeal in favour of honesty, truth and charity is not directed solely to labour organizations but to all those who, in some degree, are responsible for government and public opinion.

It seems to me that the press, particularly a certain leftist press that will not let up until it has undermined order in Canada, should take this appeal to heart. Opposition members, in particular, should ponder those words, because they suggest a straightforward policy which does not exclude sound and constructive criticism, differences of opinions, re-examination of some problems and the criticism of institutions and of the men who operate them.

Those words of Cardinal Leger put us again in the face of our duties, the least of which does consist in trying to spare our country the political and social mistakes which paved the way to marxism in many countries. In that connection, Mr. Speaker, I should like to impart to you certain thoughts that occurred to me following my stay in New York as Canadian delegate to the General Assembly of the United Nations. And I take this opportunity to thank the Prime Minister, in my own name and on behalf of my constituents, for thus honouring the constituency of Roberval.

The time I spent there enabled me to realize more fully the threat of communism to world peace. I realized that the efforts of official diplomacy cannot alone defeat communist ideology. We must, by our example and by positive action, show to the world a

philosophy that is carried into everyday life, and is practised in such a way as to win the acceptance of anyone sincerely concerned with promoting, in one way or another, the well being of mankind. We must win acceptance, in our society, for the principle of authority and also for the principles of justice and charity without which all authority is sham and tyranny in a more or less disguised form.

I spoke approximately in these terms to the people of my constituency on the evening of January 3rd last, through the medium of television. Discussing the emergence of nationalism that is apparent in the countries of Asia and Africa, and the resentment felt by these people towards the nations that long dominated them, I laid stress on our duty to help by every means at our disposal, these people that have but recently achieved political independence. I said particularly that we must, in the eyes of these people, give renewed value to the principles of our western and Christian civilization through the practice of genuine charity, equally free from shabby interest and from scornful condescension. I therefore called upon my constituents to lend their support to our government's participation in the plan to give technical assistance and aid to underdeveloped countries. This is what I said on that occasion:

> The communist regime is largely the product of social injustice. It is the responsibility of the countries that still understand the value of spiritual ideas to remove, in so far as possible, the causes of hardship and injustice. That is the only way in which we can defeat an atheistic and materialistic ideology that promises people their freedom and lures the meek by the false promise of illusory happiness born of equality among all classes of society. This task prompts us to share fully in the assistance and international mutual aid program. We can no longer afford to lag behind. It behooves us to provide our financial share and it is in this fashion that we shall contribute to the achievement of world peace.

If my colleague of the constituency of Lapointe (Mr. Brassard) had heard me that evening, he would not have stated so firmly the other night that no Conservative members from Quebec had yet pronounced itself on that question of assistance to under-developed countries.

I can only explain his attitude by his unawareness of that fact, because I know he is honest enough not to wilfully hide the truth. Besides, he belongs to a different school and is of different background from those of several colleagues of his party, those young and even not so young demagogues who will never learn, during the debates, to remain at the level of the principles of politics, history, political economy, legal economy and social philosophy. And may I tell you, Mr. Speaker, that I am ashamed to hear fellow-citizens of my province expressing themselves like anarchists when it comes to anything concerning Quebec, its prerogatives, its traditions and its institutions. I do not believe they rise in anybody's esteem by smearing those who control our affairs in Quebec. That they do not share the political beliefs of their opponents, that is their privilege, as men and citizens, but this does not give them the right to smear and insult the people of Canada who, by democratic means, have chosen their government.

Mr. Speaker, the exercise of democracy as we know it entails one handicap: that of electing to power, among fair-minded men, among men imbued with sound ideas and principles, dubious individuals and political adventurers. Fortunately, in this field also, immanent justice eventually prevails and only in rare cases do vituperators like those we have heard in recent days, last very long. They are soon swept out by the same wave which had momentarily held them afloat.

Last year, during the budget debate, I said that we, Conservatives from Quebec, have no lessons to learn from the Liberals. I was emphasizing in particular constitutional facts and problems. I was stating especially that the difficulties we are now encountering in this field are due to the fact that the Liberal party has forced the constitutional development of our country. This phenomenon has taken concrete form in the constitutional solutions of the Liberal party, and the least that can be said about them is that they are not always wholly in keeping with the nature and spirit of the British North America Act.

Thus it is, for instance, that adepts of Canadian neo-federalism are slyly attempting to shift the objectives of constitutional struggles. They would substitute an economic system contingent in itself, and subject to the changing conditions of our national economy, to a constitutional formula which in itself has a much more permanent value, for it is founded upon the lines of force of our history and the essential factors of the psychology of our ethnical groups. The undertaking is significant, but how perilous.

I submit that the Liberals are ill-advised in plying us with questions on constitutional problems and especially on fiscal problems. They need not fear. We shall, in due course stand by our convictions. Their experience will probably help us to avoid serious mistakes. In particular have we nothing to learn from Liberal members from Quebec?

Too long have they been tongue-tied on this subject, for us to be so naive as to believe the moon is made of green cheese. They are now like the monkey operating the magic lantern, save that they too have forgotten to light the lamp. The pronouncements made by the right hon. Prime Minister on education should sufficiently indicate to them that the Conservative party is intent on abiding by the constitution of this country. The representations made by the Liberal opposition will leave us unimpressed. It takes time to iron out certain delicate issues: it takes time and thought because a problem of such moment does not admit of a rash solution.

Last year, the most obscure and the most mixed up member of the Liberal party tried to take the Conservative members from the province of Quebec by surprise by asking for a vote after an inane speech that will remain as a model of what can come out of sheerest ignorance. After saying that the French element had died in 1760, after picking all concepts to pieces—

An hon. Member: What an intellectual!

Mr. Tremblay: —the member who, on that occasion, was dabbling in the field of education, concluded what one can not even describe as remarks, with a piece of clownery. His gesture was intended to have high meaning. It was meant to be a rallying sign.

This cheap ranting, Mr. Speaker, was greeted by public opinion with impressive silence. The only consolation of the member in question was that he had fulfilled the task entrusted to him. But those who, not personally desirous of saying what the member had said, had entrusted him with this demagogic mission, must have finally realized that, ass of Balaam though one might be, one is an ass for all that.

Again in the area of constitutional problems, the debate on the address gave us, Mr. Speaker, an exceptionally moving moment: the conversion of the hon. member for Laurier (Mr. Chevrier). The other day, he spoke like a convert, an egregious convert. At the close of his speech, he suddenly broke into unwonted nationalist accents. I say accents, but perhaps I should say outcry. The whole house was shaken by it. But after going over as far back as 1935, I found nothing in the hon. member's speeches that sounded like a nationalist profession of faith. So, Mr. Speaker, I find myself compelled to revise my remark and say that the hon. member for Laurier has let out a nationalist cry, the first of his career, a sort of swan song, the last roar of an aging lion currently being displayed in the province of Quebec for lack of native fauna.

I hope that star does not take himself too seriously. The fact is, Mr. Speaker that in this field, we, in Quebec, do not like imported goods. We prefer genuine Quebec Liberals of Quebec; they amuse us without annoying us.

Mr. Speaker, I would still have many things to say on the problems of particular concern to the constituency of Roberval. Today, however, I shall confine myself to the remarks I have made so far. In conclusion, I would like once again to challenge the allegations that were made against me this morning and the malicious intentions gratuitously credited to me. At a time when there was in the public gallery an audience whose presence was well calculated to elicit demagogic statements, an attempt was made, by insidious questions, to stir public opinion and to create the impression that the Conservative government has not really dealt with the country's problems. My remarks, Mr. Speaker, were possibly unpleasant, but my purpose in making them was to keep the record straight and to give credit where credit is due. I hope I have not spoken in vain. I hope all this will be taken as evidence of my good will, the good will of a Canadian from the province of Quebec who has understood that the welfare and prosperity of Canada are based on unity. However, that unity finds expression in mutual understanding of the ethnic groups that make up this country and in the pooling of their respective heritages. And this, Mr. Speaker, must be based on the constitutional law and the history of our country. That, Mr. Speaker, is precisely the political ideal I intend to promote in this house.

(Text):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I do not apologize for rising to take part in this debate for a second time. I wish this afternoon to discuss two questions which affect in a special manner the citizens of the province of Quebec, but before I do so I hope the hon. gentleman who has just resumed his seat and who has complained so bitterly about the language used by hon. members on this side of the house, and especially about the language used by the hon. member for Levis (Mr. Bourget), will not complain when I say to him that the language he has used has gone far beyond reason and that suggested by the hon. member who spoke this morning.

So far as his remarks with regard to myself are concerned, I pay not the slightest attention to them. The reason is that I hold my seat in this house as a member from the

province of Quebec and as the member for the constituency of Laurier, and I have no lesson to learn from the hon. gentleman who has just resumed his seat. Furthermore, if the hon. member thinks he is going to teach anyone in this house a lesson by the kind of language he has used this afternoon he is entirely mistaken, because all he has done is go to the other extreme; and I say to him this: there are none so blind as those who will not see.

The first matter to which I should like to call the attention of the house is one which is to my mind of considerable importance not only to the people of Canada as a whole but in a particular degree to the people of the province of Quebec. I refer to the Chicago water diversion scheme. There has been some discussion of this in the house, and perhaps I can go over the matter again very briefly. By virtue of a decree issued in the United States supreme court it was provided that on and after December 31, 1938, the diversion of water from lake Michigan through the Chicago canal should be limited to 1,500 c.f.s. in addition to domestic pumping for the city of Chicago. Ever since that decree was made by the supreme court, Chicago and the metropolitan sanitary district of that community have sought to increase the diversion permitted; and while it was increased very slightly in 1940, in 1942 and again in 1944, the additional amount, I am told by the authorities, was not serious.

Since then, however, there have been three bills introduced into congress seeking to authorize an additional diversion of 1,000 c.f.s. Two of those bills have been vetoed by the President. In 1954 one bill was vetoed by the president. In 1955 another similar bill died. In 1956 the President vetoed a further bill and finally, in 1958, a bill failed to pass the Senate.

There is now before congress, as this house knows, another bill known as H.R. No. 1, the purpose of which is to divert an additional amount of water from lake Michigan into the Chicago drainage canal, which would have a serious and detrimental impact on down-river rights. Here I should like to refer to a question I asked of the Secretary of State for External Affairs on January 21, which will be found on page 148 of *Hansard*:

Hon. Lionel Chevrier (Laurier): May I ask a supplementary question. Is it not a fact that according to a study made by a subcommittee of the international joint commission power development in the international section will be materially affected by this diversion, and that the water level in Montreal will be reduced by three-quarters of an inch?

Mr. Smith (Hastings-Frontenac): I am not aware of this report, but I can assure the hon. member that that, along with other matters, is now being considered as I have intimated in my reply.

[Mr. Chevrier.]

Hon. L. B. Pearson (Leader of the Opposition): May I ask a further supplementary question. Is this particular bill similar to the one which was introduced on this subject last year in the United States congress, and concerning which the government said it had no objection to its passage?

Mr. Smith (Hastings-Frontenac): I have not seen the bill and I have not compared it, but I do understand that it is almost identical.

Then again, sir, at page 240 of *Hansard*, dealing with the same subject, the hon. member for Lambton West (Mr. Murphy) rose on January 23, 1959 and asked this question:

Mr. Speaker, by way of clarification I should like to direct a question to the Secretary of State for External Affairs arising out of the question of the Leader of the Opposition to the minister on Wednesday dealing with the diversion of water from lake Michigan at Chicago. My question is, did the Canadian government raise any objection to the bill concerning the Chicago diversion which was before the United States congress last year?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for giving me notice of his question. I must emphasize in reply that the Canadian government did make lengthy representations in writing which are contained in an aide memoire to the United States Department of State of January 6, 1958 and which, as I said on Wednesday, was tabled in this house on August 2, 1958.

The aide memoire registered the serious and deep concern of the government with respect to the injurious consequences which would result from any considerable diversion of water from the great lakes system.

Mr. Pearson: Did the particular note to which my hon. friend refers express objection to the passage of this particular bill?

Mr. Smith (Hastings-Frontenac): It did, sir; in essence it did.

Now, sir, I say that in that reply the minister misled the house. And immediately, so there will be no indication on my part to be unfair to the minister, I say to him I am sure he did not do it willingly because, knowing the minister as I have for years, that is not his method of approach to a question. But none the less that statement made by the minister is a misleading statement, because these are not the facts as I have ascertained from the report of the international joint commission.

What are the effects of the 1,000 c.f.s diversion out of the great lakes, as found by the international joint commission? I hold in my hand an interim report made to the international joint commission by the international lake Ontario board of engineers on this whole matter. This report is dated June 14, 1955. The purpose of the report is outlined at page 2, and I read:

The purpose of this interim report is to determine the effect on the levels of lake Ontario of 1,000 cubic feet per second increase in diversion out of lake Michigan at Chicago for a period of three years. The consequent effect of the lowering of lake Ontario upon navigation in lake Ontario and the St. Lawrence river and upon the generation of hydroelectric power at Niagara and in the St.

Lawrence river are also determined on the assumption that the three-year period of increase in diversions would commence on July 1, 1955.

Now, what are the facts? According to this report, if this diversion were to take place there would be a maximum reduction instage of lake levels in lakes Michigan and Huron of .05 feet; lake Erie, .03 feet; and lake Ontario, .03 feet. In so far as navigation is concerned the reduction in levels in inches would be at Montreal harbour, three-eighths of an inch; in lake St. Louis, one quarter of an inch; in the harbours on lake Ontario, three-eighths of an inch; and in the harbours of other lakes such as Michigan and Huron, five-eighths of an inch.

This report also goes on to deal with the effect of the diversion in so far as power development in the downstream areas of the river is concerned. In the St. Lawrence river plants it is stated that reduction in flows of the St. Lawrence river, because of this 1,000 c.f.s. increase in Chicago diversion for three years, would reduce the water available to the plants now under construction at Barnhart island and the existing Cedars and Beauharnois plants, and the proposed addition to the Beauharnois plant and any proposed plants which may be constructed in the Lachine rapids section. Then the document concludes that the total energy losses at the Beauharnois, Cedars and Lachine plants will be in the neighbourhood of 86,600,000 kilowatt hours. Later on in the report, at page 12, it is said:

The total computed loss in energy at the above plants is 420 million kilowatt hours. Of this amount only 276 million kilowatt hours would be lost at existing plants and plants either under construction or actually scheduled for construction.

I should like to pause here for a moment to say this. While the bill will help to solve the sewage and drainage problem at Chicago, there is no justification for taking such an amount of water out of the great lakes basin, and it cannot be justified by any stretch of the imagination because it is not right from a moral standpoint. The waters belong to all the citizens of the great lakes, and if this is authorized then another additional amount will be sought by the Chicago drainage commission.

Perhaps the minister does not know, but it is a fact that at one stage the Chicago sanitary commission sought to get an additional amount of great lakes water in order to develop hydroelectric power in the Chicago area. That has been stated already before the rivers and harbours committee in the United States, where it has been said that the real motive behind this demand for increased diversion, according to the great lakes harbour association which gave evidence before that committee, is the desire on the part of the sanitary district of Chicago to obtain additional hydroelectric power to be developed by the facilities they own and operate, namely the hydroelectric project at Lockport, Illinois. In 1946 the assistant chief engineer of the sanitary district commission asserted that increased diversion could double the power output at the Lockport plant of the sanitary district, and in 1947 the suggestion was made that increased diversion of water was needed for the development of atomic power because of the establishment of the Argonne laboratory on the banks of the sanitary district canal some 20 miles southwest of Chicago. Then in 1950 an appeal was made to President Truman to obtain additional diversion in order to obtain additional hydroelectric power during the coal strike.

Therefore it appears from those statements which are public and can be read by the minister, that the Chicago sanitary district is interested in obtaining additional diversion for power purposes.

The minister referred to an aide memoire which he tabled and which contained a protest against the possible diversion. I have obtained this aide memoire, which was printed as an appendix to *Hansard*; and while I am unable to find in this the kind of protest I would like to see, what I would like to bring to the attention of the minister is this. On page 2 of the aide memoire which has been given to me, while there is some general reference to the fact that it is assumed by the United States administration the diversion will have a detrimental effect on navigation and hydroelectric power generation in both countries, the reasons are not set out therein. In the concluding paragraph there is set out in some detail what the effect of this diversion will be on upriver interests, on lake levels in the upper regions of the lakes and on the international section, but not one word is said about downriver interests, and it is against this that I rise to protest today. I should like to quote what is said in the aide memoire.

However, if it were possible to offset part of the effects of the Chicago diversion by inflows from the Albany basin in Canada it would be equitable that an equivalent amount of water should remain available for use in hydroelectric power generation by the Ontario interests at St. Mary's falls, Niagara falls and in the international section of the St. Lawrence river until the effects of the proposed temporary diversion will have ceased to be felt in the great lakes system.

It is there that it seems to me that the aide memoire is deficient. It seems to me that there is no protest in the aide memoire

about what will happen or is likely to happen to power development at Beauharnois, at Lachine, at Cedars. I noticed in the press this morning that the minister of hydraulic resources, of the province of Quebec, indicates that there will soon be a development of hydroelectric power at Lachine. I welcome that announcement. I think it is all to the good. But if because of the 1,000 c.f.s. sought to be taken out of the great lakes over a period of three years that power development is affected below there should be the strongest protest on the part of the government.

There is also nothing in the note having to do with the water levels at the port of Montreal. If anything is done in the upstream end of the lakes that affects water levels at Montreal, navigation may be seriously affected. What is going to be the effect of the lowering by three-eights of an inch at the port of Montreal and the loss of these many millions of kilowatt hours that I mentioned earlier? I am not an electrical engineer and am not in a position to say. All I can say is that experts say that it is serious. Those who have knowledge of the matter in the United States have stated before a public committee there that it is the intention of the Chicago sanitary district authorities, if additional waters can be diverted from the great lakes, to develop power in that area. It seems to me that it would be unconscionable if water were taken from the great lakes for the development of power in that region.

Then there is no protest against the new bill itself, and that is what prompted me to say a moment ago that the minister had misled the house. There is no protest against bill No. 1. No protest has been launched against this particular bill. While a protest was launched against an anterior bill, which to my mind is a very weak protest, there has not been launched against this bill the kind of protest I should like to see and the kind of protest that I am sure the citizens of Canada want to see.

This is not a new problem. It is one which has attracted the attention of the country before. It is an old question that comes up from time to time, and Canada must be on its guard continually so that our rights with regard to the development of power in the international section as well as of navigation in the St. Lawrence will be protected.

Mr. Smith (Hastings-Frontenac): I wonder whether the hon. member would permit a question. How could we, in a note presented in 1958, speak to a bill that was put before congress in 1959?

[Mr. Chevrier.]

Mr. Chevrier: Mr. Speaker, the aide memoire sent by my hon. friend is dated in 1957 and, as I said earlier in my remarks, there were other bills. There were bills in 1954, 1955, 1956, 1958 and another in 1959. So I say two things. I say first that the note prepared by my hon. friend is not a proper protest. Second, I say that so far as the new bill is concerned he should prepare another note of protest and put in that note in detail how the downriver interests on the St. Lawrence at Montreal and elsewhere will be prejudicially affected.

In any event, may I ask the minister this question. Does the minister think this is the kind of matter which should be disposed of by congress? After all, there is a treaty between Canada and the United States incorporated in the International Boundary Waters Treaty Act which clearly establishes the position of the two countries. With all respect, it seems to me that this is a matter which should be dealt with by the international joint commission, since to a large extent it is a boundary waters matter.

Mr. Murphy: I wonder whether the hon. member would permit me to ask a question.

Mr. Chevrier: If that is the case, it would strike me that the proper thing to do would be for the minister first to protest as I have suggested; then if the protest has no effect, to ask that the matter be referred to the international joint commission.

Mr. Murphy: I wanted to ask whether the hon. member who now has the floor is aware that lake Michigan does not come within the purview of the International Boundary Waters Treaty Act.

Mr. Chevrier: As my time is fast coming to an end, there is another matter that I should like to bring to the attention of the house.

(Translation):

I realize, Mr. Speaker, that there is another subject the hon. members may not like to hear about but if they care to have a little patience I shall try to discuss with calm and moderation this second subject, so interesting for a large number of the people in the province of Quebec. In discussing this problem I shall not attempt to use the words we heard earlier but rather I shall try to do it in the way the right hon. Prime Minister would do himself were he sitting on this side of the house.

Mr. Speaker, I wish to remind you that last Friday, in this house, the hon. member for Dollard (Mr. Rouleau) expressed his opinion about the actual contradictions with regard to the dispute between the C.B.C. and the

radio and television producers. However, since Friday, the situation has been deteriorating instead of improving. In the first place, on Friday afternoon, the Prime Minister and the Minister of Labour, in the course of their annual interview with the C.C.C.L., again refused to intervene in this dispute. The right hon. Prime Minister recalled, in the course of the meeting, that his predecessor himself had already been blamed for intervening in C.B.C. affairs. He went on to say that it was not his intention to intervene in this dispute for fear of laying himself open to the same criticism.

This argument of the Prime Minister's is surely unacceptable. It is but a pretext used, I think, in an effort to justify the incomprehensible stand taken by the government. We of the opposition have been asking every day, from the beginning of this session, through our questions to the Minister of Labour and to the Minister of National Revenue, to intervene in this dispute and to offer their good offices to both parties. In fact, we thought there was no reason why the government should not intervene within the terms of section 56(1) of the Industrial Relations and Disputes Investigation Act.

Nobody could seriously claim that the government would exert undue influence by taking advantage of powers conferred upon it by this section of the act; on the contrary, it would only be doing its duty. So far, it has obstinately refused, without any good reason, to perform its duty. It seems to me that such an intervention would have been useful, and could have been of some help to the parties concerned who, at that time, were still in communication with each other. It would therefore have been possible to settle this dispute.

But, to revert to the reply given the C.C.C.L. by the right hon. Prime Minister on Friday, I must say that an intervention like the one mentioned by the Prime Minister is in no way comparable to the one he made during the visit of Mr. Macmillan last year, when he tried to prevent a C.B.C. employee from performing his professional work as he saw fit.

Some hon. Members: Oh! Oh!

Mr. Chevrier: At that time, it was a question of interference with the freedom of information and of expression on the C.B.C. network. Today, what is the point at issue? It has to do with freedom of association, which authorities are duty bound to protect whenever the occasion offers. It is so true that yesterday the head of the Catholic church in Montreal, his Eminence Cardinal Leger, addressing a group of former pupils of College Sainte-Marie, said this:

> Everybody has a right to associate. The C.B.C. strike is nothing else than that. And, as we can see any day, this right must be asserted.

However, according to the Minister of Labour, that right ought not to exist. After having said that the strike is illegal, he changed his mind and said that it is legal. Moreover, this morning he again clearly stated that in this instance there was no justification even for the right to associate.

Therefore, Mr. Speaker, I say that the uncompromising attitude of the government showed itself again to-day. During the interview that the Minister of Labour and the Solicitor General had at noon to-day with the delegation of Montreal radio and television producers and union men, the Minister of Labour still refused to intervene and simply told the delegation to go back to the C.B.C. and resume the negotiations with the corporation which, quite obviously, is responsible for the breakdown of the parleys. This attitude on the part of the minister shows, in my opinion, too much ill-will, since he found nothing else to tell the delegation, which had taken the trouble to come a long way, at considerable expense, to see him.

As far as we are concerned, we shall not permit the government to justify its lack of action by specious arguments like those put forward by the Minister of Labour and the Minister of National Revenue, since we consider that this dispute is very important. In fact, it might involve serious consequences, not only for the artists themselves, but for all those who are directly involved in that strike and, besides, for the whole future of the C.B.C. French network.

According to yesterday's papers, Mr. Speaker, C.B.C. officials are reported to have stated they were prepared to start over from scratch, rather than resume negotiations which they themselves had broken off with the producers. I submit that even if the C.B.C. officials wish to take this autocratic attitude, the people of Canada, who are paying the operating costs of the C.B.C. and who are interested in the French network, are not prepared to start again from scratch. The French network, as the English one, has made tremendous progress since the beginning of television in this country, and taxpayers will not tolerate that the government allow such a catastrophe to occur without even attempting to intervene.

We are told that during the meeting between government authorities and representatives of the C.C.C.L. last Friday, the Minister of Labour claimed he never said the strike is illegal. So, according to the Minister of Labour himself, his colleague the Minister of National Revenue was wrong in declaring that it is illegal. Here, therefore, is a first contradiction between the two ministers.

But that is not all. It was reported also that, at the same meeting, the Minister of National Revenue declared that "he throught he had gone too far in his statement". This time, the Minister of National Revenue is in contradiction with himself and refutes his own statements.

Yesterday, the Solicitor General (Mr. Balcer), answering my question as to whether he believed the strike is illegal or not, answered that, as far as he was concerned, it is legal. Hence, another further lack of action and another contradiction. A minister on the right declares that the strike is legal and another on the left says it is illegal. Is there no more ministerial solidarity in the government?

Therefore I am right when I say, Mr. Speaker, that in this dispute there is too much inaction, and there are too many contradictions in the attitude of the ministers. It seems to me—

Mr. Dorion: Mr. Chairman, would the hon. member allow me a question?

(Text):

Mr. Chevrier: Provided I am allowed the time at the end, I have no objection.

(Translation):

Mr. Dorion: Mr. Speaker, does the hon. member allow me to ask him a question?

Mr. Chevrier: Yes.

An hon. Member: Do it quickly.

Mr. Dorion: What kind of intervention would the hon. member for Laurier suggest, and what part could the government play on such an occasion?

Mr. Chevrier: I thank the hon. member for raising that question. I shall suggest a form of intervention.

If I were sitting opposite and one of my colleagues in the cabinet stated that the strike is illegal, I would ask all my colleagues from the province of Quebec to join with me in telling him the score. And I honestly believe that if the fifty government members from the province of Quebec went to this autocrat and said: "We want to see that strike settled", it would be settled. To answer the query of the member for Bellechasse (Mr. Dorion), I will say that if you want to use your influence, as you are entitled to do, you can, by using common sense, try to sway the minister who, in my view, is preventing a settlement of the strike by saying to the management of the C.B.C.: "Don't negotiate".

Now, Mr. Speaker, if I may be allowed—

Mr. Dorion: May I be allowed a further question?

Mr. Chevrier: Mr. Speaker, if the member wishes to put his question after I am through with my remarks, I shall be pleased to agree.

Mr. Dorion: Very well.

Mr. Chevrier: I have something else to suggest to the government. I would ask the Prime Minister—

(Text):

Mr. Speaker: I was just about to say that the hon. member who wishes to intervene must secure the consent of the hon. member who has the floor.

Mr. Chevrier: I have given consent after I have completed my remarks, Mr. Speaker.

(Translation):

Here is my suggestion. Yesterday I asked the Prime Minister to postpone this debate and to set up the committee on broadcasting so that the parties might submit their grievances to the committee and so that the committee might hear the arguments of both sides. I believe this would be to the benefit of all concerned. The Prime Minister has rejected my suggestion and that is his prerogative. I now renew my suggestion, Mr. Speaker, because I think it makes sense. In the case of disputes involving government agencies, such as the disputes in the telecommunications field and in the railway field, as well as the present one in the field of radio and television, the matter is the responsibility of the government. It is therefore my view that the government should do something to try to bring the parties face to face. Unfortunately, the government keeps saying that the matter is not its concern.

The Minister of Labour tells us he will not intervene. The Minister of National Revenue replies that the strike is illegal. The Solicitor General assures us that the strike is legal. Why not, then, take appropriate means to settle this matter, which is the responsibility of the federal government?

If the dispute involved other groups not directly under the responsibility of the federal government, then I could see a reason for

the government's refusal to intervene; but such is not the case here, as the C.B.C. comes under the federal government. I therefore repeat the suggestion I put forth a moment ago, as I believe this is the only way out; otherwise, the situation will become intolerable. I do not think it is fair, under the circumstances, that thousands of people should suffer, as is the case of the people involved in this dispute.

This struggle, I repeat, has been going on too long. And if the government persists in maintaining its "hands off" attitude, let it at least accept my last suggestion. It is, I feel, a most reasonable suggestion on our part, and a practical one that would no doubt lead us out of the present deadlock.

(Text):

Mr. Speaker, I now wish to repeat my leader's appeal to the government to conclude this debate immediately. So long as the government persists in prolonging the debate and delaying action, the Liberal party will take its part in the debate; but we are ready to have the vote now and get on with the nation's business.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I should like to take this opportunity of extending my congratulations to the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne. I am certain that they will not believe that I am the less sincere because my congratulations are short. I expect that they have heard these congratulations so often now that they are apt to take them as a matter of form. However, Mr. Speaker, I can assure you that they are far from being a matter of form but are a matter of real conviction.

We have just listened to an interesting speech delivered by the hon. member for Laurier (Mr. Chevrier). Although it was not my main intention to deal with what the hon. gentleman has said, some of what he has said has been of such an extraordinary nature that I think it deserves at least a reference. The extraordinary nature of the hon. gentleman's remarks may be indicated by a realization of the position in which he found himself in making them at all.

You will recall, Mr. Speaker, that the official opposition has adopted an attitude of anxiety to conclude the throne speech debate. They say that the throne speech is not important. They say, "Let us get on with important matters", such as matters in the field of unemployment which they are adopting the attitude of trying to have us believe they are anxious to discuss. If that be their attitude, is it not rather strange that the hon. member for Laurier should feel this debate to be so important that he participates in it not once but twice? Then, Mr. Speaker, having given his second speech—and I will not describe his statements; I will not use harsh language—

Mr. Chevrier: No; do not do that. I would be highly embarrassed.

Mr. Fulton: As I say, having made his second speech, the hon. gentleman makes the extraordinary statement that no one else should be allowed to speak at all. I find that sort of untenable position is typical of what he said during the course of his remarks this afternoon.

While I did not follow the detail of all that he said with regard to the C.B.C. strike in Montreal, Mr. Speaker, I should imagine that his contribution there was not particularly constructive, at least if it is measured by the sense or the lack of sense of his statement with regard to the lake Michigan-Chicago diversion. There he made a suggestion which I think even the hon. gentleman on reflection would realize is difficult, to say the least, to carry out because it is certainly difficult to contemplate how the international joint commission which has jurisdiction over boundary waters could be given jurisdiction to settle anything with relation to lake Michigan which is not included under the boundary waters treaty.

Mr. Chevrier: May I ask the minister a question?

Mr. Fulton: Yes.

Mr. Chevrier: How did the international joint commission get authority to deal with the question and make the report which I quoted a moment ago?

Mr. Fulton: I am not familiar with the details, but I am advised that there was a reference for the purpose of an investigation and study but not for the purpose of settling any question. If I understood the hon. gentleman correctly, he would refer the matter to the international joint committee for settlement.

My intervention in the debate this afternoon gives me the opportunity to refer to those matters which the official opposition allege are matters that should be discussed as being of paramount importance. I find it difficult to understand the extraordinary suggestion that the debate be adjourned, because the debate gives them full opportunity to discuss this question of unemployment and the economic situation in which the country finds itself. I cannot avoid the conclusion that the reason my hon. friends are so anxious now to have this debate end is that they realize that they have debated some positions

and have put upon the record some statements and some alleged statistics which are so extraordinary and so far from the facts that they would like to have the debate ended so that no one could expose the nonsense which they have been talking. I shall analyse some of the claims made by my hon. friends opposite during the course of my remarks.

One thing I should like to emphasize at the outset is that from the beginning of the debate they have shown an extraordinary reluctance to accept their share of the responsibility for the situation with which the country is confronted. I refer to responsibility either with respect to what they did before they were dismissed from office or indeed any responsibility whatsoever with respect to suggesting what might be done now by way of dealing with the situation.

I know the Leader of the Opposition (Mr. Pearson) and his colleagues are annoyed when we remind them of it but it is something of which they require to be reminded. The Leader of the Opposition showed his annoyance in his reference to a speech that I delivered to the young Conservatives on January 10. But we take the view that the country should be reminded of where the responsibility for the situation properly lies. We do not say and never have said—and I did not say it in that speech—that the Liberal government deliberately created the recession. No one goes so far as that. But I said —and I repeat it—that when we took office in June of 1957 we found as our chief inheritance the recession which had started while my hon. friends opposite were in power.

Mr. Pearson: Nonsense.

Mr. Fulton: I said and I repeat that my hon. friends when they were in the government knew the recession was coming and did nothing about it. In fact, the action they did take served only to aggravate the causes of the recession that were then incipient. I shall have occasion to refer to this in more detail later. In assessing the responsibility for creating the recession and bringing it to the pitch it was before we were able to bring it under any degree of control, my hon. friends budgeted for a substantial surplus in a year when there was an incipient recession.

Mr. Pearson: Incipient?

Mr. Fulton: And then they talk about cyclical or anti-cyclical budgeting. What they did in fact was to undertake measures that aggravated the recession.

I also said, Mr. Speaker, and I repeat that we acted to deal with the recession as soon as we took office. We did not try to hide the recession or pretend it did not exist as our predecessors did and had we not acted when we did and as energetically as we did the recession would have been much worse than it in fact became.

I also said and I repeat here that we do not claim to have completely mastered the situation or cured the recession. We have never made that claim. Unlike my hon. friends opposite we do not claim to be supermen. In the first place we know it takes more than the action of the government alone to deal with and master a recession. But we do claim with justification that the fact that the recession was brought to a climax—and indications are now that it is definitely receding—and the fact that it was halted as soon as it was are in large measure due to the energetic and vigorous actions of this government.

I shall be returning later to discuss the record of the actions that were taken by the government and actions that are still being taken and which, as the Prime Minister (Mr. Diefenbaker) has indicated, will continue to be taken to deal with these problems with which we admit the country is confronted. It is disappointing to say the least that when hon. gentlemen opposite are given as many opportunities as we have given them in this house they should decline to take advantage of them to let us have their views concerning what additional measures we might take to deal with the recession.

Mr. Bourget: We did.

Mr. Fulton: For the sake of argument let us assume that it is not the job of the official opposition in the house to make these suggestions. But there are other forums. There is the forum of radio and of television and of press conferences. Those are not the House of Commons. My friend, the hon. member for Essex East (Mr. Martin), when given repeated opportunities on television to tell the nation how the Liberal party would solve the problem which members of that party say exist, displayed a coyness and shyness which are rather out of keeping with the hon. gentleman's normal mode of behaviour.

Before coming to the positive measures which are being taken to deal with the recession and unemployment I should like to deal with the situation as it is and to expose some of the criticisms and exaggerations that have been placed on the record and before the country by the official opposition because to deal with the problem it is necessary to understand it and know its extent and its causes and implications. From what they have said it is clear that my hon. friends neither understand it nor do they desire

to make an accurate assessment of the actual extent of the problems with which we are confronted.

I shall be dealing specifically with the criticisms and suggestions of both the Leader of the Opposition and more particularly the alleged statistics produced by my hon. friend the member for Essex East which were in large part, of course, fabrications pure and simple; and as fabrications—

Mr. Martin (Essex East): Mr. Speaker, I rise on a question of privilege. The hon. gentleman said that words which I used in this house were a fabrication.

Mr. Fulton: Not words, statistics.

Mr. Martin (Essex East): I submit, Mr. Speaker, the hon. member has the right to say that what I said was in error or inaccurate but he has no right to accuse any hon. member of having deliberately deceived this house and I ask the hon. gentleman to withdraw that statement.

Mr. Fraser: He never said that.

Mr. Fulton: Mr. Speaker, my friend the hon. member for Essex East is too good a parliamentarian to really believe he can get away with that. I did not say he deceived the house.

Some hon. Members: Withdraw.

Mr. Pickersgill: You said they were fabrications.

Mr. Speaker: Order. The hon. member for Essex East has raised a question of privilege and I would be glad if the hon. member who has the floor would address himself to that before proceeding.

Mr. Fulton: I am, Mr. Speaker, if my hon. friends opposite will permit me. I did not say the hon. member had deceived the house and indeed it could not be deceived by the extraordinary and nonsensical statistics which he put on the record. But what I do say, Mr. Speaker, is that in so far as they purported to be statistics they were fabrications and I shall demonstrate the truth of what I have said. There is nothing unparliamentary in that expression.

Some hon. Members: Withdraw.

Mr. Pearson: Wait until you find out whether or not it is unparliamentary.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: Order. Perhaps the word "fabrication" is a borderline word. If the hon. member had said they were "inventions" it perhaps would not have imputed motives or cast any reflection on the moral turpitude of the hon. member for Essex East. But in the word "fabrication" there is perhaps a suggestion of this and perhaps the minister would consider substituting another word.

Mr. Fulton: Mr. Speaker, I shall be happy to take advantage of your suggestion, wise and temperate as always, if I may, and substitute for the word "fabrication" the word "invention". With regard to these alleged statistics which my hon. friend has placed on the record—and here I will be careful because there are parliamentary rules and I make no assessment or imputation as to motive because to do so would I think be unparliamentary—I point out as a fact that whatever may have been the motive the effect of placing on the record and making speeches in the house which it is known will be reported in the newspapers has been one of exaggerating the seriousness of the situation and increasing to an unwarranted extent any feelings of uneasiness, alarm or concern that may exist.

We do not and never have criticized the opposition when they stick to facts. We do not resent its criticism when it is based on facts and particularly when it is constructive. We ourselves do not deny the situation with which the country is confronted. It deserves and is receiving the serious attention of this government. We admit it is serious and do not criticize the opposition for pointing out its seriousness. We do, however, criticize our hon. friends opposite for trying to pretend that the situation is worse than it is and for putting on the record inventions which are passed by the name of statistics and thus presenting an inaccurate and exaggerated case. Indeed, Mr. Speaker, the fact that my hon. friends are driven to the resort of using figures and analyses which are not accurate, and which I must say it is difficult for me to believe they did not know were not accurate, provides a pretty accurate measure of the real seriousness with which they themselves regard the situation. The fact that in discussing it they are driven to exaggeration to make a case at all shows that they themselves realize the situation is not as bad as they are trying to make out.

Starting with some of the figures used by my hon. friend the Leader of the Opposition, may I say that he was guilty of a gross statistical miscalculation in his reference to the effect of the increase in the cost of living on the old age pension. His words on this subject are to be found at page 37 of *Hansard* of January 19:

> In one year, Mr. Speaker, the old age pensioners have lost about $2 of the $9 increase granted them by this government, and soon that increase will all be gone.

The implication of that statement, of course, is that out of the $9 increase $2 has been lost.

We do not deny the seriousness of the increase in the cost of living. That increase in the year has been 2.6 per cent and on the basis of that percentage the loss out of $9 is some 23 cents.

Mr. Pickersgill: What about the rest of the $55 pension?

Mr. Fulton: The Leader of the Opposition has been guilty of inaccuracy and miscalculation by the mere amount of approximately 1,000 per cent. Then there are other inaccuracies which he perpetrates and which he insists on repeating and which, of course, can only, as he knows, have the effect of getting into the newspapers.

Some of them make headlines—scare headlines—and the hon. gentleman is not entitled to resent it if we charge him with trying to scare the people. Just as his old age pension speech made a prominent news story, so did this one, reported in the Toronto *Telegram* of November 19, when he said the Prime Minister would reap the whirlwind in a billion dollar deficit. He repeated this assertion about a billion dollar deficit whereas in fact the deficit will be in the neighbourhood of seven hundred million dollars as reported by the Minister of Finance (Mr. Fleming); serious enough, it is true, but not as serious as a billion dollar deficit would be.

Some hon. Members: Wait and see.

Mr. Fulton: The hon. gentleman has in this case indulged in an inaccuracy of some $300 million, or in terms of percentage, an inaccuracy of 30 per cent.

But the Leader of the Opposition is just an amateur in this field, as we shall see by comparing the inaccuracy of his statistics with those of the hon. member for Essex East. This also must be said, that at least the Leader of the Opposition does not try to make out that someone else is responsible for the incorrect statistics that he puts on the record. He is big enough to claim his errors as his own. However, in the hon. gentleman from Essex East we have a most remarkable statistician. His is a practice born of long experience. He is perfectly at home among figures—so much so that he can use them with perfect ease in an attempt to prove that things are, which, in fact, are not. On a number of occasions in the speech he made in this house on January 22 we have evidence of that. This is the serious criticism which I make of the hon. gentleman: not only that he is inaccurate—because we can all be inaccurate, though not quite as inaccurate as the hon. gentleman—but that he has attempted to attribute his inaccuracies to the dominion bureau of statistics.

I must say, Mr. Speaker, and I am sure you will have shared this thought with me, that after the Liberal leadership convention of a year ago we had all imagined that the hatchet was buried, that rivalries were discontinued and that all was sweetness and harmony in the Liberal camp. But now we find that is not so because apparently the hon. member for Essex East is determined not to be outdone by his leader either in the scope or the size of his inaccuracies or in the sources of his information. As I have said, the Leader of the Opposition made no attempt to suggest that his statistics were other than his own, inaccurate though they were. The hon. member for Essex East, however, not content merely with inaccuracy, has sought to give his statistics an authority which they do not in fact possess by attributing them to the dominion bureau of statistics, thus seeking to outdo his leader.

It is not difficult to find a number of examples in the speech which the hon. gentleman made on January 22. He was criticizing the Prime Minister for a statement he had made that in the year just ended Canadians had worked more, earned more, spent more and saved more than in any comparable year in the history of this country, a statement which in virtually every particular, as a general statement, is true. The hon. gentleman did not wish to accept it. He did not wish to accept the truth of anything which the Prime Minister had said, because he knew it would not fit in with the propaganda which the Liberals were trying to sell in the country. Accordingly, he tried to show that the statement was not true in a number of particulars. Here is one example of what he did. The hon. gentleman said, referring to the Prime Minister, as reported in *Hansard* on page 181:

> Then the hon. gentleman made the statement that Canadians spent more. Let us see what the dominion bureau of statistics itself has to say about this: "It may be noted that on a per capita basis consumer purchases in real terms showed a year to year decline in all categories of expenditure in the first nine months of 1958."

Then, missing some of the following sentences, he says:

> The Prime Minister, with these figures of the dominion bureau as my authority, is consequently proven wrong again.

Here we have a very odd piece of statistical reasoning on the part of the hon. gentleman. The Prime Minister in his statement referred to spending—general spending—when he said that Canadians spent more. In seeking to refute that statement the hon. member for Essex East has made a selective quotation from the dominion bureau of statistics dealing exclusively with consumer spending and, having found there one sentence referring to a

decline in consumer spending, he says: "Therefore, on the basis of the dominion bureau of statistics, the Prime Minister is wrong."

Let us see what the dominion bureau of statistics did actually say. I have the document in front of me. The hon. gentleman from Essex East was very coy the other day; he would not give us any page references when we asked him for them, but I have the source of his information—the chart at the top of page 6 dealing with percentage changes in expenditure by value, volume and price. This shows that gross national expenditure increased in the nine months reviewed in 1958 as compared with the nine months under review in 1957 in all three categories of value, volume and price.

The hon. gentleman must therefore admit that this shows clearly that the Prime Minister's statement was perfectly accurate and that his attempt to prove otherwise, and the quotation he used, was one of the most artificially selective of any I have heard used in this house for such a purpose. Then, carried away by his apparent success in this one attempt, the hon. gentleman persisted several stages further in his statistical magic. On the occasion I have just cited he did use the actual words of the dominion bureau of statistics, and attributed them accurately to the bureau. However, carried away by his apparent success he then proceeded to work up his own facts and attribute them to the dominion bureau. Let us look at an example, because this is really an extraordinary piece of statistical manoeuvering on the part of the hon. gentleman. He attacked the Prime Minister for an alleged inaccuracy in connection with a statement he made that Canadians earned more, and then the hon. gentleman says this—and I am quoting from the bottom of page 180 and the top of page 181—in an attempt to prove the Prime Minister wrong or, rather, to convince the house that the Prime Minister was wrong:

> The dominion bureau of statistics points out:
>
> Real wages and salaries in 1958 have declined by 1.6 per cent. Moreover, national income at factor cost (that is the sum total of wages, salaries, farm income, corporation profits as well as other incomes) rose by 2 per cent in 1958 from $23.8 billion in 1957 to $24.3 billion in 1958.

Mr. Martin (Essex East): That is not alleged to be a quotation at all.

Mr. Fulton: Well, I was asking the hon. gentleman whether I could have his source but he very coyly refused. This now appears in *Hansard*, and it was stated in the house to be something that the dominion bureau of statistics had pointed out.

Mr. Martin (Essex East): On a point of order—

Mr. Fulton: There is no point of order before the house.

Mr. Pickersgill: That is for the Speaker to decide.

Mr. Martin (Essex East): On a question of privilege, Mr. Speaker. The hon. gentleman is saying that I have said that the bureau of statistics is the authority for my statement. What I said, as the hon. gentleman will find if he looks at page 180, was this:

> Now let us examine the next statement, that Canadians earned more. The dominion bureau of statistics points out—

I did not say this was an actual quotation. It is an extract.

Some hon. Members: Oh.

Mr. Speaker: Unless there is more to it than that both the hon. minister and the hon. member for Essex East who raised this point of privilege have read the actual words, so there can be no misunderstanding.

Mr. Martin (Essex East): Yes; but, Mr. Speaker, with great deference—

Mr. Fulton: The house will judge for itself.

Mr. Martin (Essex East): What the hon. gentleman is seeking to say—

Mr. Fulton: I think I have the floor.

Mr. Martin (Essex East): Let me explain my question of privilege, Mr. Speaker.

Mr. Speaker: Order. Does the hon. member wish to raise a further question of privilege?

Mr. Martin (Essex East): I would like to state my question of privilege which, apparently, I did not state with the succinctness which I usually do. The hon. gentleman is saying that I had sought to attribute these words as directly coming from the bureau of statistics. What I did say, as the hon. gentleman will find in the speech, was that every statistic that I used came from the D.B.S. bulletins—

Mr. Fulton: No.

Mr. Martin (Essex East): —or from the national accounts, income and expenditure, and when there was a direct quotation I referred to the page. If the Minister of Justice does not understand what the daily bulletins are that certainly is not my fault.

Mr. Hees: Badly cornered.

Mr. Speaker: I think the minister may proceed. It seems to me that what the hon. member is raising as a question of privilege is really an objection to what is stated, and

he wishes to give an explanation, which he can only do if the member who has the floor allows him to interrupt; otherwise, it should be done at the end of the speech.

Mr. Martin (Essex East): Mr. Speaker, I cannot—

Some hon. Members: Sit down.

Mr. Fulton: The hon. gentleman knows—

Mr. Martin (Essex East): —allow a misinterpretation of my statement to go on record.

Mr. Speaker: I have perhaps been too final if the hon. member wishes to comment, but I really have made my decision with respect to what the hon. member has said on this point; unless there is something new I hope the minister will be allowed to continue.

Mr. Fulton: Mr. Speaker, the house will be able to judge for itself whether the hon. member purported to quote from the dominion bureau of statistics by the words that he used where he said:

> The dominion bureau of statistics points out:

Then, we have a colon and then we have the form which *Hansard* uses when it is reproducing a quotation. My hon. friend knows perfectly well the small type which *Hansard* uses when it is reproducing quotations. My hon. friend knows perfectly well that the impression which he created inevitably and inescapably is that he was purporting to quote from the dominion bureau of statistics. He said just now, "Oh, no, I did not mean to say I was quoting from the dominion bureau of statistics but only the fact that every figure was taken from the dominion bureau of statistics".

Mr. Martin (Essex East): That is right.

Mr. Fulton: Mr. Speaker, I regret to have to expose the hon. gentleman once more, because—and this is another part of my objection—the alleged quotation starts out with the words:

> Real wages and salaries in 1958 have declined by 1.6 per cent.

I am informed that the dominion bureau of statistics never attempts to put out a figure on real wages and salaries because they say it cannot be done.

Mr. Martin (Essex East): You have not read them.

Mr. Fulton: It cannot be done accurately and anyone who compiles his own must take the responsibility—

Mr. Pearson: Who told you that?

Mr. Fulton: —for that compilation. And that is exactly what the hon. gentleman sought to avoid doing. He made the calculation and said, "This is what the dominion bureau of statistics said". Of course, Mr. Speaker, his calculation is completely wrong.

Mr. Pickersgill: Will the minister permit a question?

Mr. Fulton: Not at this stage.

Mr. Pickersgill: That is fine. I did not think he would.

Mr. Fulton: The other example that I refer to, Mr. Speaker, is found at the bottom of the first column of page 181, where the hon. member for Essex East is attacking a quotation of the Prime Minister with regard to the total wages and salaries. I had better read the whole quotation. The hon. gentleman quotes the Prime Minister at page 59 of *Hansard* as having said:

> The 1958 economic report predicted that total wages and salaries of Canadians would decline as compared with 1957 by 1.1 per cent. Instead of that, wages and salaries increased by 1.6 per cent or some $300 millions.

That is the quotation of the Prime Minister that the hon. gentleman quoted. Then, he continued:

> The dominion bureau of statistics provides this conclusion:

Then, we find a colon in *Hansard* and then again there is, of course, the reproduction in small print in the insert fashion which *Hansard* uses when it is reproducing a quotation. Therefore, once more the hon. gentleman is creating the impression inevitably that he is quoting something that the dominion bureau of statistics said, and this is what he says the dominion bureau of statistics said:

> On the average the consumer price index stood at 121.9 in 1957 and at 125.9 in 1958 which represents an increase of 3.2 per cent. This means that real wages and salaries—or the purchasing power of total wages and salaries—have declined by 1.6 per cent in 1958.

Mr. Martin (Essex East): Does my hon. friend say that the dominion bureau of statistics does not provide that?

Mr. Fulton: Not only was my hon. friend guilty of gross inaccuracy in attempting to suggest that this came from the dominion bureau of statistics, which it did not, but the whole calculation is clearly and demonstrably in error.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: Is the hon. member raising a question of privilege?

Mr. Martin (Essex East): The language which I used is clear and is to be found on page 181.

Mr. Fulton: I have just read it.

Mr. Martin (Essex East): I said:

The dominion bureau of statistics provides this conclusion:

Then follows the conclusion. There is nothing there to suggest that these particular comments are actually contained in the—

Some hon. Members: Oh, oh!

Mr. Martin (Essex East): —national accounts, but they are contained in the statistics provided by the dominion bureau of statistics. I raise a question of privilege. No hon. gentleman, the Minister of Justice or not, has the right by the use of words to imply that another hon. member has deliberately sought to deceive this house, and that is what the Minister of Justice is doing. Mr. Speaker, I have been in this house for 23 years—

An hon. Member: You got away with it.

Mr. Martin (Essex East): —and there is no hon. member who can cast a reflection on my honour and get away with it.

Mr. Speaker: The proposition that the hon. member for Essex East states is perfectly correct and it is a proper matter of privilege if that is what has been done. As I see it, we are dealing with an interpretation of a page of *Hansard* which is before all members. If the hon. member states that he did not intend to give the impression that what appears as a quotation in *Hansard* was in fact a quotation from the dominion bureau of statistics, I am sure the house will accept his explanation but to raise it as a matter of privilege when we have the thing before us seems to me to be rather more in the nature of a disagreement with or a contradiction of what is being said. It should be raised, if at all, at the end of the speech.

Mr. Harkness: He got caught, that is all.

Mr. Fulton: Mr. Speaker, of course, I was careful, I think you will realize, and I know my hon. friend will if he thinks of it, not to impute motives or intent in anything I said. I pointed out what the hon. gentleman in fact said and what the result of his saying it must be. I leave it to the house to draw its own conclusion from that point on.

The hon. gentleman has just furnished another interesting sidelight in the very implications of what he himself said in protesting. He said, "I did not say this was quoted from the dominion bureau of statistics; I said dominion bureau of statistics provides this conclusion".

Mr. Martin (Essex East): That is right.

Mr. Fulton: I point out the dominion bureau of statistics does not provide this conclusion; it is the hon. member for Essex East who provided it, and the conclusion is wrong and not borne out by the statistics put out by the dominion bureau of statistics, as I shall now show—

Mr. Martin (Essex East): You are wrong again.

Mr. Fulton: —in this passage in dispute. It looked as if it came from the dominion bureau of statistics, but now we have his admission that it did not come from the dominion bureau of statistics at all. He said:

On the average the consumer price index stood at 121.9 in 1957 and at 125.9 in 1958 which represents an increase of 3.2 per cent.

He said that the dominion bureau of statistics said that. Mr. Speaker, both the calculation and the statement are wrong. If you do the arithmetical calculation you will find that an increase from 121.9 to 125.1 represents a percentage increase of 2.6, not 3.2 as stated by the hon. gentleman.

Mr. Pearson: He got that from the Minister of Finance.

Mr. Fulton: He said he got it from the dominion bureau of statistics.

Mr. Martin (Essex East): We say we got that from the Minister of Finance.

Mr. Fulton: You see, Mr. Speaker, they are caught out in their trap and now both of them are trapped. The Leader of the Opposition has just said that the hon. member got that figure from the Minister of Finance but the hon. member said that he got that figure from the bureau of statistics.

Mr. Pearson: Your figures.

Mr. Martin (Essex East): You are confused.

Mr. Fulton: He said it this afternoon and he said it before as found in *Hansard*. The actual dominion bureau of statistics figure shows that there was a percentage increase in the cost of living of 2.6 per cent, not 3.2 per cent as used by the hon. statistician from Essex East.

Mr. Harkness: He had better improve his arithmetic.

Mr. Fulton: You see what has been happening, Mr. Speaker. The hon. gentlemen, not content when they find that the facts show that the country's economic position is not so bad, have to manufacture facts and then attribute them to the dominion bureau of statistics. Let us see what the dominion bureau of statistics actually says on this point. What are the statistics that the bureau

has put out with regard to incomes and earnings in Canada in 1958? Here are the bureau's actual words. I quote from page 3 of the dominion bureau of statistics' publication, National Accounts, Income and Expenditure, third quarter, 1958. They say:

> While national income has risen by about 2 per cent over the year, personal income has increased by 5 per cent and disposable income by more than 6 per cent.

Yet the hon. gentleman has the gall to say—

Mr. Martin (Essex East): That is a different thing altogether.

Mr. Fulton: —that the Prime Minister was wrong when he said that Canadians earned more in 1958.

Mr. Pickersgill: Surely the minister is not equating earnings and personal income.

Mr. Fulton: What about the effect of prices on these figures? My hon. friend tried to make out in his speech that they are all inflated by price increases—

Mr. Pickersgill: So they are.

Mr. Fulton: —and therefore they represent only a fictitious increase and not a real increase. Here is what the bureau has to say about the effect of prices of this increase in 1958 compared with 1957. I read from page 5:

> It will be apparent that price factors were less conspicuous as an element of the value change in gross national product between 1958 and 1957 than in the preceding year. All components of the gross national product registered smaller year-to-year advances in 1958 than in 1957. The price of consumer goods and services showed a further rise of close to 3 per cent, a more moderate advance than in 1957.

So what the bureau says about this is that the effects of price increases were markedly less in 1958 than in 1957.

Mr. Martin (Essex East): You do not understand it.

Mr. Fulton: What does the bureau say about inflation? The hon. gentleman criticized the Prime Minister's remarks about inflation and had some interesting remarks of his own to make, all his own, not from the bureau of statistics. The dominion bureau of statistics had this to say about one aspect having an important bearing on inflation, as found on page 7:

> Thus the rise in personal expenditure in the first three quarters of 1958 has fallen short of the rise in personal disposable income. The relatively high rate of personal saving is one of the notable developments of the year.

Mr. Pickersgill: In other words, we spent less.

[Mr. Fulton.]

Mr. Fulton: So we see Liberal efforts—

Mr. Martin (Essex East): That just proves the opposite of what you said.

Mr. Fulton: —exemplified by the hon. member for Essex East and by the Leader of the Opposition himself, apparently determined to persuade the Canadian people that the situation is worse than it is, and when they find that the facts do not fit their theories, instead of changing their theories they try to change the facts. Hon. gentlemen remind us of the man who said, "My mind is made up; don't confuse me with the facts."

Mr. Pickersgill: The minister is confused without the facts.

Mr. Fulton: All they have succeeded in doing is confusing themselves. I do not believe they have confused the people of the country to the extent they would like to have done.

Contrasted with this, I think it is useful and appropriate that I should say a word or two about what the government has actually done and what it is continuing to do to meet the emergency situation which we inherited from the Liberal government.

Mr. Pearson: May I ask the minister a question before he leaves this topic?

Mr. Fulton: My time is nearly up.

Mr. Pearson: I am sure he will be given extra time. Before he leaves this interesting part of his policy statement, will he deal with the unemployment statistics that his colleague, the Minister of Labour (Mr. Starr), has given to parliament in the last few days?

Mr. Fulton: I will be glad to do that on another occasion but I do not have the time at my disposal this afternoon. The Minister of Labour has dealt authoritatively with these statistics. I am dealing with the discrepancies and inaccuracies of my hon. friend and I have a hard job compressing them into forty minutes.

Mr. Harkness: I do not wonder they would like to see a change in subject.

Mr. Martin (Essex East): Very weak. Pretty bad.

Mr. Fulton: I can understand why in our predecessors' time the then minister of trade and commerce seemed to grow greyer, older and more worried. He must have had a really desperate task to keep the dominion bureau of statistics under his control and to prevent it from sliding out from under his grasp and into that of his colleague from Essex East. Rather than the hon. member doing what he did on January 22, I suggest that he would

probably be better advised to set up his own statistical service and quote himself. At least he would always be entertaining. When we examine the record of what the government has been doing we find an interesting and effective contrast to the criticisms and inaccurate statements made by the opposition.

We inherited the recession in June of 1957. Within a matter of months we had put $150 million into housing and we are still continuing to put money into housing. Within a matter of a few more months we had made considerable cuts in taxes. Within a matter of months we had substantially increased welfare payments. At the first opportunity to present a full budget we budgeted deliberately for a deficit. We have instituted and are continuing these and other work-providing programs. In addition to the housing and public works expenditures, which are continuing, there are the special winter works program started this year and the renewal of the northern affairs program of expenditure and work in the parks which was started last winter. We took the 1957 economic outlook report to heart although the Liberals had ignored it.

We are still grappling effectively, vigorously and consistently with the problem of unemployment in Canada. The Prime Minister, unlike hon. gentlemen opposite, is not reluctant to say that he regards it as a primary obligation of the government. He has stated that the government regards it as its continuing obligation to deal with unemployment.

Mr. Speaker: Order. I am sorry to interrupt the minister but his time has expired.

Mr. Pickersgill: Oh, go on. Let the minister proceed.

Mr. Speaker: Is the house agreeable?

Some hon. Members: Agreed.

Mr. Pickersgill: Agreed. The minister is very entertaining.

Mr. Fulton: I am grateful to the house. I am not going to impose upon the house. I have practically finished. The details of the program I have outlined can be filled in at another time.

Mr. Martin (Essex East): Give us that program.

Mr. Pearson: That billion dollar program.

Mr. Fulton: But it might be interesting to deal with what amount of work some of these projects have created. This is an estimate prepared for me by my colleague, the Minister of Labour (Mr. Starr), and I am sure he would agree that it can only be described as an estimate. Nevertheless it is the best estimate that we can produce. Some 36,750 national housing loans were taken up during 1958. The total of federal funds made available under these loans was $375 million. It is estimated that these federal housing loans provided around 92,000 man years of employment. This impressive total is made up of about 46,000 man years of on-site labour and the same amount of off-site labour. This, of course, relates only to the federal funds made available and does not take into account the tremendous flow of private mortgage funds that has been going into housing construction under the stimulation of the policies of my colleague, the Minister of Public Works (Mr. Green). It has been estimated that the total number of men employed in the housing program generally is certainly, at a conservative estimate, at least 600,000.

In addition to housing loans, Central Mortgage and Housing Corporation has been engaged in the construction of public housing and other buildings. The expenditure involved in these has amounted to over $30 million.

Then, other departments responsible for construction programs include the Department of Transport, and their program includes the development and maintenance of airports, the construction and maintenance of harbours, the St. Lawrence seaway and large expenditures by such crown corporations as the Canadian National Railways and Trans-Canada Air Lines. Well over $400 million of federal government expenditures have been made on works projects in this field during 1958. It is estimated that at least 80,000 man-years of employment, including both on-site and off-site work have resulted from these expenditures.

With respect to the Department of Public Works, it is estimated that all their normal expenditures during the year 1958 have meant employment over the course of a year for at least another 25,000 men, on-site and off-site. These statistics are in terms of man-years, Mr. Speaker, and this is an impressive total.

Then, the northern affairs and national resources program continued from last winter, it is estimated is providing employment on a continuous basis for at least 3,000 men to date. In so far as the special municipal winter works program is concerned, the latest estimate which my colleague the Minister of Labour has furnished me shows that it is expected for Canada as a whole there will be 1,086,895 man-days of work provided by that program to be initiated between December 1 and April 1.

I should like to mention others, but these are only some of the ways in which this

government is continuing its consistent and successful program in accordance with the promises made by the Prime Minister to combat the recession inherited from our predecessors, and which he said we would do our best to halt and take every measure at our disposal to see to it that during the time the recession continues no one suffers as a result of being unemployed. This is the first instalment of the government's attempt to implement that promise.

Mr. Pickersgill: The Minister of Justice (Mr. Fulton) was kind enough, Mr. Speaker, to say he would answer my question when he concluded his remarks. My question is this: If, as the minister says, the recession was inherited from the previous administration and if the government discovered this inheritance in June when they took office, can the minister explain why his colleague the Minister of Labour said on December 10, 1957, as reported in the Montreal *Star* and never denied, that there is hardly an economist or student of the siuation who does not feel that the unemployment situation is merely temporary, and that given a brief breathing pause the natural buoyancy of the economy will assert itself? Why did the Prime Minister, at the federal-provincial conference, say that unemployment in 1954-55 was considerably greater than it was in 1957?

Mr. Fulton: The statement the hon. gentleman has quoted from my colleague the Minister of Labour does not require any explanation because it is consistent with the facts. We have confidence in the buoyancy of the Canadian economy. We know that it will eventually work out of the mess we inherited from our predecessors.

Mr. Pickersgill: He did not say anything about any mess.

Mr. Fulton: We are acting accordingly. I should remind the hon. gentleman that the first step we took after taking office was to reduce the flow of immigration, by which action we have saved an accumulation of an extra 100,000 unemployed. We have also put into circulation, and at the disposal of the people of Canada, vastly increased social security benefits. These are two of the actions we took.

Mr. Pickersgill: Will the minister permit another question? Did he not state in this house that all they did about immigration was to continue an order I had made in April, 1957?

Mr. Fulton: No, I did not, because the order had not been made. We had to make it. My hon. friend had thought about it, but he had not done it.

[Mr. Fulton.]

Mr. Harold E. Winch (Vancouver East): I have never followed John, but on this one occasion in the throne speech I am following Dave. I must admit this has been a rather amusing session, with so many statistics flying around. I think it is understandable why so many people are a little confused at the moment. They do not know whether the figures are lying or the liars are figuring. It is one or the other.

It is quite evident, also, that there has been a lot of political name-calling during this session in attempts to place responsibility. This reminds me of the story of two men who went out on a bender. It was a real drunk. When they woke up the next morning they found themselves in bed with a corpse between them. Fearing the consequences, they both dashed to the police station and blamed the other for homicide which was, of course, of no interest to the corpse at all. Basically, this is what has been going on since this house met, especially on the question of unemployment and right now the problem of the producers of the C.B.C.

Basically, we are not going to solve anything by even trying to find out who was responsible. The point is that there are certain circumstances extant in this country which require to be handled, and our responsibility, irrespective of party, government or opposition, is not to damn each other so much for the evils of the past, but to see if we cannot be good right now and in the future. I was interested in all the statistics put forward by the Minister of Justice (Mr. Fulton) and all the others. But a man or a woman who is unemployed or on strike or locked out is not a statistic. He or she is a human being in need of something being done about their problem. I was most interested in the closing remarks of the Minister of Justice when he dealt once again, almost word for word, with the statement the Prime Minister (Mr. Diefenbaker) made in the campaign of last year. The Prime Minister said that if he were elected no one would go without or suffer in this country.

The reason why we have to get up and speak on these matters so often, and perhaps be so repetitious, is that people are suffering and are hungry in Canada and the government has not done anything about that. Admittedly you can bring forth all these figures showing increased emloyment and increased income. Of course, this country is not static; it is growing. People are being born every day. People are going into the employment field every day. Immigrants are coming in, or they have been, by the thousands. We have what almost looks like

a paradox but is not, and that is employment going up at the same time as unemployment is going up. Of course, we are happy about the increase in employment.

What we want to know is what you are going to do about your promises to those who are unemployed. You admit that there are 749,000 who are asking for employment. Whether it is 100,000 or 749,000 I ask what about those who need that work? Last May—I have the actual dates here, May 12 of last year, May 28, July 9, July 12 of last year—I have all the *Hansard* quotes here—the Prime Minister and the Minister of Labour (Mr. Starr) said—because they must have had some recognition of the dangers of unemployment and suffering this winter and spring—that they would introduce changes to the Unemployment Insurance Act. They never did and we are still waiting for those changes.

But because they neglected their responsibilities, because they did not fulfil their promise made on all the dates I have given you last year, Mr. Speaker, there are thousands upon thousands in this country who are no longer eligible for unemployment insurance, nor can they get work. The government say they take care of them. They go on welfare. What is welfare? In one of our provinces, it is about half of the amount they would receive were they eligible for unemployment insurance. Nobody on unemployment insurance is living in the lap of luxury. What do you do about those who have to depend upon welfare? I say this to the government. Why sit back so smug and holy about the fact that you are paying 50 per cent of starvation sustenance for those people who, because of your negligence, are not now covered by unemployment insurance and who have not jobs?

Some hon. Members: Oh, oh.

Mr. Winch: Stop all this eyewash you are spouting all the time, recognize the situation and see what we can do about it on an emergency basis.

An hon. Member: Louder.

Mr. Winch: It is necessary for me to speak loud because of all the thickness over there on the government side which it is necessary to penetrate in order to reach understanding. Of course all hon. members can always tone down their volume, except me.

Not only was that matter forgotten, Mr. Speaker, but something else was forgotten. I refer to the domicile laws on welfare which are established by agreement between the federal government and the provinces and which vary from province to province. With men moving around, as they do, in order to find employment—because they do not want charity—unless they come within the domicile regulations of a particular municipality in the province they cannot even get welfare. They are therefore doomed to a Conservative position of starving to death. Let me say that I am not being dramatic or melodramatic when I make that statement. To find confirmation, Mr. Speaker, all hon. members need to do is read their newspapers and look at the photographs in the newspapers of men collapsing from hunger in Winnipeg and Vancouver; something which we have not had for years in British Columbia. I refer to soup kitchens, with men lined up in queues for blocks for a handout of two sandwiches a day.

An hon. Member: The Bennett days are back again.

Mr. Winch: We are not purveyors of gloom. We do not want to emphasize these things. What we say to the government is this. They said they would take care of these people.

Mr. Martin (Essex East): That is the point.

Mr. Winch: We are just asking you to take care of them on this short term emergency basis until you bring in those policies and those noble plans about which you told us that are going to solve for all time the problem of unemployment.

Time after time at this session the Prime Minister has appealed for co-operation. Let me say this to the hon. members on the government side of the house. As far as Vancouver is concerned, he has offers of co-operation right down the line from the trades and labour council, unemployment committees and so on. Before this house was called together elected members of all parties were called in to discuss the situation. The parks commissioners of Vancouver called in the elected members to talk over their problems. The Vancouver city council called in the representatives to talk over the situation and the problems. There was co-operation on the labour level, on the parks committee level and the municipal level, recognizing that the solution does not lie with one level of government but that because the federal government is the senior government, it is from there that the major direction and the major aid will have to come.

The other members from the city of Vancouver in this house can tell you, Mr. Speaker, as I do, that the city of Vancouver said this: If you give us a little bit more progressive aid, not just half the cost of labour on the particular works but half the cost, then within four weeks we will have project after project under way. I am convinced that if this government, instead of

trying to allocate blame and say "It is not our fault", would recognize the problem and come forward with some emergency measures in the way of municipal assistance, special welfare assistance and change in the Unemployment Insurance Act so as to make the unemployed eligible for something as of right and not charity, they would get a spontaneous acceptance from the people and from the various levels of government. I can say that at least for the province I know best, namely the province of British Columbia.

When we speak of unemployment solutions, naturally we must think of production and trade. It has been somewhat of a disappointment to us in this group that so little has been said on the cabinet level as to Canada's position in world trade, the problems which we face in that area and just how we are going to meet the situation.

I was most pleased to read in the *Globe and Mail* of this morning a report under dateline of Washington, January 26, as follows:

> Canadian Justice Minister Fulton is visiting his opposite number here this week for discussions on how to avoid in the future what Canadians consider attempts by Washington to make U.S. laws rather than Canadian laws applicable to Canada.

I know we certainly want to wish the minister well on that trip but I think that now is the time to emphasize how emphatic he must be when he visits Washington. There is not only a growing fear but a growing understanding that irrespective of what must have been a beautiful talk between the Prime Minister and President Eisenhower last year and the indications given to us that this problem of United States domination of Canadian companies was going to cease, that was just a lot of tommyrot because the situation has definitely not improved. As a matter of fact, it has worsened.

Not only do I take the position—and I do it personally, of course, from my reading—that nothing has been done whatsoever about the matter but evidence is now forthcoming to demonstrate that we are even more than ever dominated by the United States with respect to our goods produced in Canada, and to companies which are subsidiaries to those in the United States. There is no need to repeat what we all know of the motor car incident of last year with regard to sales to the peoples' republic of China. That was the first indication. Perhaps not too much emphasis should be placed on it but it is worthy of note. We receive information that Alcan, from the headquarters in Montreal, honestly admit that they turned down a sale to China at the same time they were laying off 620 men because of their fear of repercussions in their major markets in the United States. But the matter goes even beyond that.

I have a friend who is well known as a member of the bar association in Ontario and who last fall made a visit to Chungking. Whilst he was in Chungking he was entertained by the president of the chamber of commerce there and he watched freight being unloaded by hand from hundreds of junks on the waterfront. The president of the chamber of commerce told him that they were going to initiate plans to utilize conveyor belts for this unloading. Our esteemed friend from Canada informed the president of the chamber of commerce in Chungking that Canada produced conveyor belting of the highest quality, something which all hon. members know is true. When my friend returned to Canada or shortly thereafter he happened to visit the B. F. Goodrich plant. They made inquiries about his trip to China, being interested, and he told them about this opportunity of selling belting to Chungking. They were interested. But do you know what happened? Did that Canadian company get in touch with our legal friend in Ontario, with a catalogue and prices? Did they get in touch with the president of the chamber of commerce in Chungking? No. The next word my friend heard about the matter was when he received a letter dated January 13, 1959, a copy of which I have in my hand.

Akron 18, Ohio, U.S.A.
January 13, 1959

Mr. E. B. Jolliffe, Q.C.
111 Richmond Street, West,
Toronto, Ontario, Canada

Dear Sir:

Our Canadian company has forwarded your request for information on conveyor belting which in turn is to be furnished to the president of the chamber of commerce of Chungking, China. Under the present regulations of our government, we are prohibited from dealing with China, even to the extent of communicating with nationals of red China in any manner. While there are definite indications at the present time that this policy may be relaxed in the future, we are required to conform with the instructions of our government to the letter until such time as the regulations are changed.

We are indeed sorry that we are not able to supply you with the information desired. We will be most happy to work with you in providing information for other marketing areas not affected by such restrictions.

Yours very truly,
G. W. Hill
Industrial Products Sales Manager

The letter is written on the letterhead of the International B. F. Goodrich Corporation. Because of a law in the United States the B. F. Goodrich Company in Canada was not able to supply catalogues or quotations on non-strategic goods, for which an export permit is available in Canada, to a foreign market. Without fear or hesitation this government should now make it clear to the United

States that we in this country are not going to brook any continuation of this kind of interference. The government should speak in the interests of employment, Canadian trade and prosperity. If this type of thing does continue it is up to this government to introduce legislation that will enable us to control the exports of our own companies.

When we speak of trade we think of the remarks made three times this session by the Prime Minister about the horrible threat of an economic trade war on the part of the U.S.S.R. Of course there is a threat of this kind and no one with a modicum of common sense would deny it. Indeed, it was bound to come. On May 19 last I spoke in this house on that very question and asked the government what consideration it was giving to the matter at that time. Moreover, we know this is going to be a serious threat. We realize that whether we like it or not the U.S.S.R. can compete because it does not have the profit motive adding to the cost of the goods produced there. We all recognize this and are concerned about it and we certainly want to hear more from the government on this question.

I never have and never will profess to be an economist or a trade expert but as an hon. member of this house who takes seriously the responsibilities vested in him I want to make sure that the government gives proper attention to the question of trade and the implications of this threat to the development of trade throughout the world. Little has been said by the government as to what are the implications or what will be the position of Canada as an exporting nation because of the establishment of the European common market and the possible establishment of a wider free trade area. The countries of Europe for their own protection and development and with a view to raising their standards of living have, according to their own public statements, found it wise and necessary to enter into the European common market.

In addition to what I have been able to read on this subject I had the welcome opportunity of speaking with research men, economists and businessmen who have recently returned from Europe. They say that the results of this new plan are indeed staggering and only a few days ago the results were described to me by one man as being almost fantastic. He could foresee in Europe within a period of two or three years in the nine countries that are in the common market a condition that would almost rival the condition that obtains in the United States both in terms of production and standard of living.

Almost every publication that has come to my attention on this matter points out the probable dangers that exist for Canada unless we in this country are extremely careful. They indicate that Canada could be relegated to a position of being merely a supplier of raw materials and we would have to face greater competition than we face today in the export of manufactured goods. I wish to emphasize the importance of this because I intend to ask the government what attention is being paid to this development. What are the plans of this government in this respect? What plans does it have for the maintenance of Canadian production which is dependent upon exports?

As a matter of fact, in thinking about it this morning I arrived at a number of questions which I think we as hon. members of this house and in particular the members of the cabinet as representing the government of this country have to understand and answer. I listed them in this way.

Is the commonwealth disintegrating as a trading entity or is it likely so to do? Can Canada hold its United Kingdom markets and, if so, how? That question arises because irrespective of statistics we are losing out in many fields at the present time. If Canada cannot hold its United Kingdom markets, does this country have to face almost complete economic integration with the United States? What will be Canada's position in a few years as a result of the establishment of the European common market and the possible establishment of a wider free trade area? Another question of immediate importance is this. What will be the effect on Canada of the stiffer competition for investment capital as a result of corporations in Britain, the United States and other countries setting up subsidiary firms within the tariff wall of the European common market? It is obvious that other countries are moving in. Is Canada thinking about this? Is Canada prepared to take action in this respect?

Without stressing the importance of these questions at greater length may I say that we in this group believe these questions are of such vital concern that there should be an early indication at the cabinet level as to the thinking, planning and policies of the government. I know I am not stretching it too far when I say the future of Canada is at stake. We as elected members are in large part responsible by what we do here for what the future of our country is going to be in this respect.

I shall say just a few more words, Mr. Speaker, because we shall have other opportunities under motions, bills, on the budget,

in committee and when discussing the estimates to refer to other matters. But in view of the situation with regard to the C.B.C. I should like to say a few words on that question. I find it most difficult to understand the viewpoint of the government.

The C.B.C. is a public service. This is a crown corporation and parliament is ultimately responsible for its operations. We understand that the Prime Minister is thinking of reintroducing the bill of rights. Surely one of the basic rights which will be emphasized in that bill is the right of association and the right of collective bargaining, and surely we are not going to differentiate between different classes of citizens, saying that one group of people who have to work for their bread and butter should have the right to organize and the right to collective bargaining while another group of people in a different sphere, but also dependent on work for their bread and butter, should not have this right. It would not make sense. Producers have the right of association as well as anybody else. It may be that they are not mentioned in any specific act of this parliament, but what about it? That does not remove their rights; there is no law which says they cannot form an association. They have done so. Why should they not be recognized? I think it is deplorable that the government should not have shown some initiative in an attempt to reach a solution of this difficulty.

I know arguments can be raised about legality and illegality, jurisdiction and jurisprudence. But what about getting the job done instead of worrying so much about the dotting of an "i" or the crossing of a "t"? Do you, Mr. Speaker, know of anything in the law or constitution of Canada which says that the Prime Minister or members of the government cannot interest themselves in any problem which needs to be solved? Do you know of any law which says that no attempt must be made to bring people together? Because of the way in which this situation is developing, and because if something is not done in the near future this situation may lead almost to the wrecking of a great organization, I wish to add my appeal to those made by members who have already spoken urging the Prime Minister or the Minister of Labour to do all they can to bring the present situation to a successful conclusion. In addition, I urge all hon. members here to do everything possible on their own initiative to achieve the same result in the spirit of co-operation about which one hears so much in this chamber.

Mr. Speaker, I sincerely hope I have not been too condemnatory in the course of my remarks, because I did not mean to be. It is just because when this government faced the electorate it told the people that it knew the problem and had a solution to the problem. We commend the government for everything it has done, but we say that there are many thousands who still need employment, and countless people who are on the fringe of semi-starvation. We urge hon. gentlemen on the front benches opposite to use their power as a government and as a cabinet in order to introduce without delay constructive policies and measures which will lead to a better standard of living for those who need it today.

Mr. B. C. Thompson (Northumberland): Mr. Speaker, at the risk of being repetitious I should like formally to add a word of commendation to you for the admirable manner in which you have presided over the deliberations of this house to date and to wish you continued success in the carrying out of the duties of your office.

My congratulations also to the hon. member for Provencher (Mr. Jorgenson) and the hon. member for Montmagny-L'Islet (Mr. Fortin) who so ably presented to the house the motion which is now under debate.

I personally was most pleased and encouraged at the spontaneous response which the remarks of the hon. member for Montmagny-L'Islet on national unity evoked from hon. members in this chamber. However, I have since been disappointed to hear the remarks which have come from some of the members of the official opposition on the same subject. I cannot think that such remarks will promote national unity in Canada and I would hope that their attitude might change in the near future.

May I also extend a word of welcome to those members who have joined us in the house since the beginning of this session. I hope their stay in parliament will be a long and successful one.

I should like to turn now to the speech from the throne which contains a list of policies and actions to be approved by the House of Commons which I think are going to be of great benefit to Canada in the days to come. Much has been said in this debate so far on the subject of unemployment. Much has been said by the opposition which would lead us to believe that the country is on the verge of collapse economically. I wish the people of Canada could observe the faces of the opposition; how great a look of disappointment is registered thereon when the steady improvement in our economy is noted, and how great a look of delight, almost to the point of rapture, overcomes them when unemployment figures are quoted.

I do not propose to go into the figures again. They are all on record. No one denies that we have unemployment in Canada. No one denies that last winter the figures were higher than usual. No one can deny that the figures this winter are improving all the time as the result of government action, but we do and should deny that the picture in Canada is as bad as it is painted by the opposition. The picture which the opposition paints is not designed to suggest ways and means of improving the situation but is designed to spread fear and panic in the hearts and minds of the people of Canada.

What have the members of the opposition to offer by way of suggestion? Nothing. They criticize but do not come up with any ideas of their own. The fact of the matter is that they have no ideas, because everything has been done by this government which can be done within the realm of practicality and common sense. The actions which this government took in national housing, in tax reductions, in increased social security benefits, in increased unemployment insurance benefits, in a program of public works and in easing credit prevented the situation from being a great deal worse than it was and have contributed in large part to the recovery which we are experiencing today.

The Leader of the Opposition (Mr. Pearson) goes back to 1957 and tries to explain what he would have done had he still been in power. The measures which he suggests would have been too late. The former government had its opportunity in early 1957 to forestall a recession and to alleviate its effects. They had the information and the advice of the economic experts upon which to make a decision. They had two courses to follow and they chose the wrong one. They chose to fight inflation and ignored the warning signs of recession and unemployment. When the Leader of the Opposition says what he would have done had he remained in power I can only say that his hindsight and that of his colleagues is obviously a great deal better than their foresight.

The truth of the matter is that when the present government assumed office in 1957 they inherited a multitude of problems created by the Liberal administration. Had these problems not been created the Liberals would not have been turned out of office. The people of Canada lost confidence in them and expressed themselves at the polls by turning them out. For the Leader of the Opposition to expect this government to have dealt with the accumulation of decisions and have solved the multitude of problems which were left to it at that time in the short space of 19 months is the same as to expect someone to unravel a tangled skein of yarn in a matter of seconds. He could not do it and neither could anyone else.

Many references have been made to the statement made by the Prime Minister (Mr. Diefenbaker) that as long as he is Prime Minister no one will suffer from unemployment. As usual, this statement has been misinterpreted by the opposition to have a meaning different from that which the Prime Minister intended. It is interpreted as a guarantee of 100 per cent employment, but any sensible person knows that that is not possible. What the Prime Minister obviously meant to any reasonable person is that he would emphasize and give priority to the fight against unemployment and do everything reasonable and practical to reduce unemployment and to alleviate the hardships of those who might be affected. This he has done and is doing.

In closing my remarks on this subject, Mr. Speaker, I, like the hon. member for Calgary South (Mr. Smith), would like to say with what interest I listened to the answers given to questions by the hon. member for Essex East (Mr. Martin) at the press conference last week. I have never seen anyone work so hard to evade questions or perhaps I should say I have never seen anyone work so hard to answer questions. In spite of repeated questions he was unable to say what suggestions the opposition had or he himself had to improve the employment situation. His only answer was that the duty of the opposition is to criticize the policies and actions of the government. I must say that I was at a loss to know whether he had some ideas up his sleeve which he was just keeping to himself or whether he had no ideas at all and was just trying to cover up. As the time passed by I became inclined to the latter view.

Certainly, if the hon. member for Essex East has any ideas at all it is his duty to bring them before this house for consideration. The government has the responsibility to initiate whatever measures are deemed necessary, but every member has the duty to disclose any ideas which he might have to further the best interests of his country. If the opposition proposes to do nothing from now on except to criticize and not offer any alternative ideas, then I wish them good luck because I think they are going to be in opposition for a long time. I do not think that the people of Canada will allow any group to form a government which does not offer a reasonable and better alternative to the government of the day.

Mr. Speaker, I should like to turn for a moment to external affairs. I note with satisfaction in the speech from the throne that the government is going to support the policy of assuring the freedom of West Berlin; that the North Atlantic treaty alliance is reaffirmed; that increases in contributions to the international bank and the international monetary fund are to be approved and that the policy of economic assistance to underveloped nations is to be continued. In giving this assurance I think we should bear in mind that although the principle is a sound one, yet if it is to bear fruit we must take into account the different outlook which those people have as compared with ours. We must bear in mind that the expression "freedom" and "democracy" do not have precisely the same meaning to them as they do to us; that their spiritual and moral values differ from ours or, perhaps I should say, that our spiritual and moral values differ from theirs. At any rate, we cannot expect them to react to a given situation in the same way as we do.

I think the Prime Minister made an excellent suggestion when he said that we should arrive at some common definition as to the meaning of certain key words which seem to be used most when stating our common objectives. There is, of course, another important factor which must be considered when we endeavour to win the hearts of men, namely our own attitudes. We cannot expect other people to give us credit for 100 per cent good faith when we ourselves fail to practise the things we preach and practise the things against which we preach.

In our fight against communism, which is the most important single issue we face today, I think we should be wary of their actions and not allow ourselves to be swayed into different lines of thought and to change from one line of thought to another too readily. This seems to be rather obvious, Mr. Speaker, but I make the remark because there has been a tendency on our part to be led around by the nose and to jump from one thing to another, depending on the line which seems to be taken in Moscow.

Since the communists seized the initiative in the cold war they have been in a position to lead us around by employing subtle techniques. They can let us read into their actions or their emphasis on certain activities certain objectives. We must not lose sight of the fact that the avowed object of communism is to overthrow our way of life by any and all means and therefore we must be prepared to meet them on all fronts at all times. The communists have varied their attack; they have emphasized at different times the military aspects, the political aspects, the economic aspects and the scientific aspects of the cold war. Every time they change great concern is expressed and a great outcry is made that we should change also. As soon as the first sputnik was launched we began to hear that we needed more teachers, more scientists, more schools, more universities, more scholarships and our entire educational system came under fire.

We concern ourselves about the communists having the first IRBM and the first ICBM, and on being the first successfully to launch a man-made planet. In spite of these things, Mr. Speaker, I am one of those who is prepared to believe that we in the western world still have some of the finest scientists in the world and that our educational system in Ontario—and I say "Ontario" because I reside in Ontario—compares favourably with, if it is not better than, the educational system of the U.S.S.R.

I am not denying that there may be room for improvement, but I do not think that we should allow ourselves to be carried away by some of the more extreme expressions of concern. To my mind, Mr. Speaker, scientific achievement is relative. Where there is competition, by concentrated effort, one group can assume the lead one day and another group the next. A good illustration of this is what is taking place in the automobile industry. As far as education is concerned, it depends upon what you expect education to accomplish, what aspects of it you emphasize. The communists want more scientists but we want well-rounded, resourceful and capable citizens. Some of these will turn to science; others will turn to other lines of endeavour. A nation's strength lies not in what it actually has but in its potentials, not in its wealth but in its moral fibre. We can lose to ourselves as well as to the soviets. We will be successful in combatting communism in direct proportion to the effort and sacrifice we are prepared to put into it. In this respect we must keep in mind military weapons, economic assistance, education, trade and other fields of competition and give them our unceasing attention and support. The important thing is that each one of us should be aware of his or her own responsibility in this connection and live up to it.

Among other things in the speech from the throne, I am pleased to note that measures are going to be introduced to assist agriculture further. The revision of farm credit legislation and the introduction of crop insurance are two more steps in the accomplishment of the broad agricultural policy of the government. I should like to urge the Minister of Agriculture (Mr. Harkness) however, to consider the payment of

compensation for cattle slaughtered due to rabies. The current epidemic has swept into my riding of Northumberland and has resulted in the death of many cattle which is a severe blow to those who suffer the loss and who are not responsible for what has happened. I think that some method should be devised to compensate farmers for a loss of this kind and I add my voice to those of the other hon. members who have made the same request. The brevity of my remarks on this subject is not an indication of how strong my interest is in it, but that is all I wish to say at the present time.

Turning to the bill of rights which will be before us this session, I think it is a measure which should be supported. Since it was first introduced by the Prime Minister last session it has been the subject of much discussion and that, of course, is what the Prime Minister desired. I cannot agree with those who argue that it is not necessary to set down in writing our fundamental rights and freedoms. In Canada the question of whether or not a certain right or freedom exists must eventually be resolved in the courts and under our system of jurisprudence where we are guided by precedent it is much better to have something to hang your hat on than nothing at all. I would venture to say that some of those who have criticized the bill the most could be among the first to rely on it. This bill is a step in the right direction and we hope it will lead to something better.

The other day, Mr. Speaker, the Postmaster General (Mr. Hamilton) was criticized by the hon. member for Fort William (Mr. Badanai) for having a postmaster dismissed for political activities. In doing so he also stated that he thought that civil servants should be free to engage in political activities, or at least I so understood. Surely the hon. member must realize that that is the very reason why civil servants were given security in their jobs, so that they could not be forced to engage in political activities and therefore could perform their jobs with impartiality and free from political pressure.

When the hon. member deplores the fact that one civil servant is dismissed for political activities he should come to my riding and talk to people who were summarily dismissed by the Liberal administration when they were in power. I should also like him to explain how people in my riding were offered positions in the civil service before competitions were held. These are some things which the hon. member might look into before he criticizes the Postmaster General.

Finally, I want to say that I am pleased to support the motion for an address in reply to the speech from the throne and in so doing I express complete confidence in the ministers who are responsible for carrying out these measures.

(Translation):

Mr. Azellus Denis (St. Denis): Mr. Speaker, last evening, the Leader of the Opposition (Mr. Pearson) suggested that the government close the debate on the address in reply to the speech from the throne to try to solve, and as soon as possible, this important problem of unemployment. The reaction to his suggestion was complete silence. The government, as usual, is being indecisive and careless. Do the hon. Conservative members feel that the matter of unemployment is not urgent? Have they not yet found a way to settle this problem? We do not know. Dead silence is the keynote. Could it be that, in view of the importance of this problem, the legislation which is to be submitted to the house is not ready? We do not know. As I said earlier, the situation is always the same; we have a government of carelessness, indecision and confusion.

The hon. Minister of Public Works (Mr. Green) has claimed that we made this proposal because we were short of arguments or suggestions. I contend, Mr. Speaker, that to study the matter of unemployment and try to solve as soon as possible this problem, which is certainly the most important problem facing us at the present time, was in itself an excellent suggestion. We put forward other excellent suggestions in the past, but, like the previous ones, the suggestion to close the debate on the address had no more effect than water on the back of a duck.

Mr. Speaker, there are none so deaf as those who will not hear, as the hon. member for Laurier (Mr. Chevrier) so aptly put it this afternoon.

An hon. Member: That is the third time he said this.

Mr. Denis: I shall repeat it for a fourth time, and as in the case of Coca-Cola ads, perhaps you will end up by drinking it.

If the hon. Minister of Public Works is really deaf, he must still at least be endowed with eyesight. So if he is looking for excellent suggestions, and wants the country to continue prospering as it did under the Liberal government, all he needs to do is to read, reread, and indeed learn by heart, the masterful speech given by the Leader of the Opposition.

Mr. Speaker, following the hon. members who spoke before me, I should like to pay tribute to the mover and supporter of the address in reply to the speech from the throne (Messrs. Jorgenson and Fortin). They acquitted themselves of their task in a wonderful way, in spite of the lack of interest of the subject they were talking about, I mean the speech from the throne, and the present government's achievements.

Most particularly, I should like to congratulate the one who supported the motion and who resides in my province. He did so in an agreeable and dignified way, a thing to which we had not been accustomed by our friends opposite. He is no doubt aware that, since the coming into power of the present government, French Canadians are not adequately represented in the cabinet. Undoubtedly, he also knows that the right hon. Prime Minister (Mr. Diefenbaker) stated in the province of Quebec: "Give me members and I shall give you ministers". Another promise which the present government did not fulfil.

Well, Mr. Speaker, I feel that the right hon. Prime Minister was waiting for the member for Montmagny-L'Islet who made so auspicious a debut in the house and who, so soon after his arrival rises way above his colleagues who, since the coming into power of the Conservatives, are feverishly emulating one another in the hope of being promoted ministers or parliamentary secretaries.

Mr. Speaker, I listened with great attention to the magnificent speech made by the hon. member for Roberval (Mr. Tremblay). Since I was to speak just after him, I cannot comment on his speech, a speech which, incidentally, I shall sum up in few words. In fact, I shall sum it up in the few words of an hymn which we used to sing at college, an hymn which the hon. member for Roberval must know, since he attended college and university. Mr. Speaker, I should like to sing that hymn, but to avoid breaking the rules of the house, I shall simply quote the first words which very well represent the hon. member for Roberval: "All is vanity, falsehood and fragility".

I have also listened to one of the newcomers here, the hon. member for Springfield (Mr. Slogan). He gave us a fine picture of his constituency, its beauties, its wealth, etc., for which we thank him.

However, towards the end of his speech, I think he missed a good opportunity to keep his mouth shut. In fact, he allowed himself to graze in the neighbour's field, whereas he could have grazed in his own. For instance he took the liberty of saying that when the Liberals were in office, contractors had bought stone from the United States. I shall quote his own words so as to preclude any rebuttal:

(Text):

The Liberals wasted a lot of money on importing stone all the way from Virginia when they could have used the finest building stone on the continent. They had so little pride in the products of Canada.

(Translation):

Well, his party has been in power since 1957 and it has announced loans; this is not surprising because since they have been in power they have done nothing but borrow money, and, later on, our descendants or our descendants' descendants will have to pay the shot.

Mr. Martel: It is to meet your obligations.

Mr. Denis: In 1957, in a period of full unemployment, the present government announced the issue of savings bonds. I have here copies of the posters that were profusely distributed all over Canada.

The Conservative government too has been letting contracts, and giving work to foreigners, because at the bottom of this poster, I read this: "Printed in Great Britain". Here is the answer to the hon. member for Springfield (Mr. Slogan). And to my hon. friends opposite, who are always fond of giving advice and suggestions, allow me to give this piece of advice: "People who live in glass houses should not throw stones."

Mr. Valade: You gave away a billion dollars to England during the war.

Mr. Denis: Well, ladies . . . It is the first time I refer to hon. ladies sitting in this house. I hope you will not be offended by this attitude; but the Conservatives are a bit jealous when they hear praise directed to others, even of the other sex.

Mr. Asselin: You are jealous of our wives.

(Text):

An hon. Member: It's a good thing they're not on your side.

(Translation):

Mr. Denis: At the beginning of my speech, I referred to the carelessness, unconcern and instability of the Conservative government. I forgot to tell you also that they are past masters in inconsistency and contradiction.

I have here a statement made recently by the Prime Minister. He was blaming the Leader of the Opposition for describing Canada as a country with a dark future. He

added that this picture was contrary to the facts and with his customary self-complacency, stated that the Leader of the Opposition was not equal to his responsibilities as a leader. Well, the next minute that same leader of the Conservative government contradicts himself and admits that the Leader of the Opposition is right. In fact the Prime Minister said, about the Leader of the Opposition:

"He is not living up to his responsibilities at this time when the world situation is difficult and distressing".

And later on:

"When we think of the difficulties that face the free world in the form of an economic onslaught."

In the same breath he says that the Leader of the Opposition is wrong in blackening Canada's reputation and right afterwards he tells the Leader of the Opposition: "You were perfectly right."

Well, what did he use to do when he was in the opposition? I have here a report published by the dominion bureau of statistics. The figures I have go back to the time when the Liberal party came to power, up to the arrival of the Conservative party. Let me quote some figures relating to unemployment. There were 133,000 unemployed in December 1952, 193,000 in 1953, 252,000 in 1954, 200,000 in 1955, 188,000 in 1956, while in 1957, when our good friends came to power, there were 392,000. In 1958, they numbered 440,000.

Mr. Speaker, what did they do at the time we were administering the country, when there were two or three times fewer unemployed than we have today? They used to wail and lament, Mr. Speaker, and they acted like calamity howlers. Were they being truthful at that time? No, and yet now they criticize us for telling people the truth. Well is it not our right, and even our duty to tell the truth to the people of this country? It looks as if the Liberals do not have the same policy as the Conservatives.

I recall that, when they used to sit on the opposition side, these people used to paint gloomy pictures of the situation in Canada while the country was in full prosperity. They were making suggestions that they are not even considering today. On March 15, 1955, for instance, the hon. Mr. Drew and the present Prime Minister, asked the government to call a federal-provincial conference to settle this problem of unemployment. But what are they doing now that we have twice the number of unemployed we had then? They would stop us from criticizing the government. One would say, Mr. Speaker, that they are trying to impose closure which they had promised to abolish and which is still on the statute books; another forgotten promise!

When the minister made this statement, in March 1955, there were 403,000 jobless, and in March 1958, there were almost 600,000 unemployed, actually 597,000 jobless. If they were right in painting a dark picture of the situation in Canada at the time, all the more are we justified in describing it as it is to-day.

The Minister of Finance (Mr. Fleming), among others, also asked for a federal-provincial conference in March 1955.

It is a shame, he said, that the present government should have let the problem get worse and become urgent, even critical, without any agreement being reached between the federal and provincial governments on the steps needed to solve the problem. The solution must be based on an agreement between the federal and the provincial governments.

And yet there were 403,000 unemployed at the time, while there were 597,000 in March 1958 and there is no question of calling a federal-provincial conference.

Another one who with a tearful voice pitied our fellow-citizens while we were living in a period of prosperity and who now denies us the right to tell the truth and criticize the present government is the Minister of Citizenship and Immigration (Mrs. Fairclough).

(Text):

—it is a matter of frightened men and women with cold bodies and hungry stomachs. It is a matter of fear which grips the hearts of working people who are probably employed themselves but see their neighbours idle and who ask themselves: when is it going to happen to me? Certainly, they say, we expect Canada to go ahead.

Of course there was a Liberal regime at that time.

Certain it is that Canada will thrive, but in the meantime what do we eat?

(Translation):

Those are the people, Mr. Speaker, who in good times were knell-tollers, prophets of doom and who would now prevent us from describing the situation as it is to-day. And they go even farther, Mr. Speaker. Not only do they want us to stop criticizing them now, but they anticipate on the future and they are preparing themselves to prevent us from criticizing things about which nothing has been said yet. In their "vision"—and you know, Mr. Speaker, they are somewhat visionary—they invented that we had chided them about their travels. I recall that the Prime Minister indicated in a speech that "some of my hon. friends had allegedly expressed doubts about the usefulness of my world tour." Yet, nobody had spoken about it before, for the simple reason that nobody knew anything about it. The only ones who knew anything about it were himself, his own friends and probably the Minister of Public

Works, who had to act in his place. I hope he is recompensed by the Prime Minister, for taking on those duties.

And speaking of the Prime Minister, has he reported on his trip? No. He discussed the trips made by his predecessors three or four years ago, but he made no mention of the trips made by most of his ministers who, at one point, were outside the country for a certain period of time and merely administered their affairs from abroad. This is so true that at one point a friend of mine remarked: "We have in Canada at this time a cabinet of Sputniks which revolves around the earth and is in the process of disintegrating. If the Prime Minister wishes to compare his trip with that of the Right Hon. Louis St. Laurent, we have no objection to that. We have nothing against the Prime Minister and other ministers making trips at proper times. We do not object to this, provided that things are done according to law and to the prerogatives of parliament, which the Prime Minister treasures so highly. When the Right Hon. Louis St. Laurent decided to go on a trip around the world, he asked for and received the assent of all parties in the house after he told them the reasons for the trip. He did as should be done in a democratic country. By contrast, the present Prime Minister left by the rear door, like a child who is afraid to be refused the permission to go.

We could have told him that, in our opinion, it was not to be a profitable trip for the country, that there was enough work to be done here and that it would be preferable to wait for a while, since a captain should not leave his ship when the sea is rough. And heaven knows we had problems to solve here: unemployment, inflation, the matter of freight rates, the increase of telephone rates, the matter of civil servant salaries, beside the embargo on our exports to the U.S.A., on oil, zinc and lead and so on. No, without saying a word to anybody about it, there goes the Prime Minister on a world trip. I say he could have waited.

When a farmer wants to travel, he does not leave his farm when it is time to plough or to harvest, he does not leave when grasshoppers are ruining his fields. This is what I am against.

I congratulate the right hon. Prime Minister on having fraternized with other nations of the world, to get to know them better and to open new markets for us, even if we have ambassadors in those countries. In my opinion, he did not bring us luck by his conduct.

We learned through radio and television that he had moments of leisure. He is entitled to them. But in his leisure hours, he did not have much luck. Indeed, we learned that he went on a tiger hunt. He was no credit to us unfortunately, because on his tiger hunt, he was not a good shot and failed to hit the target. And to think that Canadians have the reputation of being good shots and marksmen. You all remember the Royal 22nd Regiment, don't you?

We saw the picture of the Prime Minister decorated with flowers. That is nothing new for him. We had some here in Canada. If he wanted to be covered with flowers, all he had to do was wait for the budget speech, an occasion when all Conservative members wear blue flowers, free from government tax. We saw the Prime Minister pictured riding an elephant. We were glad to see that he was taking a rest after a tiring day. I am convinced however that he did not go there only to ride on an elephant or to see one. Indeed, he did not have to go that far to see one because we have right here in Canada the nicest white elephant in the world: the present government.

Mr. Speaker, I have mentioned this government's unconcern and vanity, but I did not speak of their inconsistencies or of the way they shirk responsibility. Just recently the producers' strike on the French network of the C.B.C. raised a problem. The government's reaction was a most striking example of the indecision and contradiction that characterizes a government that is marking time and does not know where to go, but is satisfied with its own vanity and its own complacency. The hon. Minister of National Revenue (Mr. Nowlan) declared: We have nothing to do with the strike; the C.B.C. is an independent, autonomous body, we have nothing to do with that, I am not getting involved. A moment later, he stated that the strike was illegal. Now here is a flagrant case of contradiction, of which the Conservatives are so fond. A day or two later, the hon. Solicitor General (Mr. Balcer), who is a member of the same government, declared that the strike was legal and added: "We are watching the situation closely".

Since when, Mr. Speaker, has the cabinet stopped speaking with one voice in Canada? How can you govern when the government

is half yes and half no, when one minister holds a certain view on a particular matter while the others hold a different view? I think it would be well for the Prime Minister to decide whether a Conservative government must be made up of independent ministers who are for or against a thing according to their whims.

The hon. Prime Minister is raising the bill of rights in one hand and the C.B.C. ultimatum in the other.

He asks for suggestions. Why didn't the government follow the example set up by the Right Hon. Louis St. Laurent, when the railroad employees threatened to go on strike in 1950? And yet, the Canadian National is a corporation independent of the crown as well as the C.B.C.; they are a national service as well as the C.B.C. What did Mr. St. Laurent do at that time? He wrote to both parties asking them to try to settle the dispute. He appointed a representative to attend their discussions and when it became evident that it was impossible to prevent the strike, he called parliament into session because he respected the rights and privileges of parliament and he proposed a measure in order to prevent the threatening railroad strike. The hon. Prime Minister wants suggestions, but the example was there. All he had to do was to follow in the footsteps of the Right Hon. Mr. St. Laurent. These are practical suggestions, but they are not easily accepted indeed because they come from the Liberal party and because the Conservatives are afraid that their opponents might get the whole credit for it.

Here is another contradiction, Mr. Speaker. Sometimes, the Conservatives say that unemployment does not exist, "recession is on the way out," and at other times, they proclaim: "Unemployment exists, but we inherited that from the Liberals, from the United States, from the Russians." The Minister of Finance (Mr. Fleming) recently said in Toronto that if conditions were bad, if the country was faced with inflation, that was the public's own fault. That is one way of evading one's responsibilities. Now here is another contradiction on the part of the government. During the last election campaign, there was talk about a 15 per cent cut on our imports from the United States. Some time later, this was claimed to be no longer important and newspapers were accused of having made a mistake.

Was it not the Minister of National Defence (Mr. Pearkes) who stated that the Bomarc installations were a secret thing, and soon afterwards he said that surveys were being made with a view to building them near North Bay or Macaza River, a locality situated in the constituency of my hon. friend, the Secretary of State (Mr. Courtemanche)? There, Mr. Speaker, you have irresponsibility, lack of logic and contradiction.

The CF-105 if necessary, but not necessarily the CF-105.

The Postmaster General (Mr. Hamilton) whom I am very pleased to see now in his place and to whom I am thankful for listening to me with attention, asked for, while he was a member of the opposition, twice a day mail delivery. Since unemployment exists in the country, restoration of this service would give employment to many people. So what did the Postmaster General answer last Friday when he was asked if he was thinking of coming back to the two-a-day delivery? "Not for the time being".

Mr. Speaker, during the last election campaign, our friends from Quebec blamed the Liberal party for voting $20 million for the Colombo plan. They claimed this was giving away our belongings to foreigners. Today, these same gentlemen are sitting in the House of Commons and none of them stood up to criticize what we had done. On the contrary, they raised the contribution to $50 million.

Still in the course of last election campaign, Union Nationale supporters all said that the $1 grant per capita to the universities was an encroachment upon autonomy. Now, the Conservative government raises that grant to $1.50 per capita and we say: "Long live autonomy!"

Some members of the cabinet said that *O Canada* is our national anthem; other ministers said that *God Save the Queen* is our national anthem. The rest say neither yes or no.

Some of our friends opposite would like to have a distinctive national flag.

An hon. Member: In Montreal.

Mr. Denis: The present Prime Minister himself said: "I do not want any flag without the Union Jack."

Mr. Speaker, when a member delivers a speech, and especially in the House of Commons, he must remember that anyone may very well remember what he says. Here is what the Prime Minister said on November 13, 1945, as recorded on page 2089 of the official record:

> On the other hand, I cannot see eye-to-eye—and my sentiments so carry me that I must be restrained when I say this—those who would deny

the union jack a permanent and prominent place on the flag of this country; and the place of honour on any flag is the upper quarter.

You see, he even goes into details.

I stand to-day where Mr. Bennett stood in 1938.

That is true. This is the same attitude as that of Mr. Bennett, in regard to the unemployment crisis, the national flag and our national anthem.

"Last year", says he, "there were 400,000 unemployed". To-day, there are 440,000 unemployed. Recession is on the way out. Let's all rejoice, Canadians; we are heading towards disaster, but much more slowly than last year.

An hon. Member: Alleluia!

Mr. Denis: Mr. Speaker, such statements remind me of a doctor who would say to his patient: "But, my dear boy, you are not ill, you have only 105 degrees of temperature!" But, the next day, when going back to take his patient's temperature, he says: "But, my dear boy, you are cured, you have only 105½ degrees".

An hon. Member: What a joke!

Mr. Denis: Here then, Mr. Speaker, are some contradictions and inconsistencies which I have selected among thousands. I cannot but condemn the present government, ever since it came into power.

Consequently, I shall gladly support the amendment proposed by the Leader of the Opposition.

(Text):

May I conclude by describing in three short statements the condition of affairs for which the government is responsible. The recession is going out—out of control. Inflation is going up—up into the sky. Our state of affairs is going down—down to hell.

Mr. Speaker, for the good of our beloved country and citizens I sincerely hope that in spite of the present government I turn out to be wrong. May I conclude, as a previous speaker a colleague on the Liberal side, has done, by repeating my leader's plea to the government to conclude this debate immediately and proceed at once with legislation to deal with the unemployment problem.

Some hon. Members: Oh.

Mr. Denis: Why not listen? After it has been repeated a hundred times maybe you will understand a good suggestion. So long as this government persists in delaying action the opposition will play its part in this debate, but we are ready to have the vote now and get on with the nation's business.

[Mr. Denis.]

(Translation):

Mr. C. E. Campeau (St. James): Mr. Speaker, I wish to join in the congratulations previously offered to the hon. members who respectively moved and seconded the motion in reply to the speech from the throne (Messrs. Jorgenson and Fortin).

I have been listening to my hon. friend and colleague from St. Denis (Mr. Denis), and this brought back to my mind—to use up the few minutes remaining before six o'clock—a joke I heard recently. It is about two friends who meet, and one says to the other: "Did you have the radio on last night? There was a speaker who talked and talked and talked on". When the friend inquired what had been the subject, he replied: "Well, he didn't say".

I am happy, Mr. Speaker, that the debate on the address in reply to the speech from the throne affords me the opportunity to express before this house the views of the constituents of St. James, whom I have the honour to represent in the Canadian parliament.

Allow me, Mr. Speaker, to stress the uniqueness of the constituency of St. James, located as it is in the very heart of the largest Canadian city. Without a doubt, there is no constituency more representative of urban development in Canada. Its dense population of workers and business people is deeply integrated into the economic, industrial and social life of the whole country.

We in St. James, Mr. Speaker, are sick and tired of these longwinded discussions on economic theories that would consider Canadian citizens as so many guinea pigs, theories that are constantly being negated by the facts. We hear talk of recession, inflation, deflation, and of countless other big words ending in "ion", words that are all too often used, Mr. Speaker, to conceal the user's ignorance of the hard facts.

There is one thing, however, that we in St. James, can readily understand, and it is the mechanical sounds of steam shovels and the rap of hammers, sounds that the Conservative government brought to life by authorizing, in the very heart of the constituency of St. James, the construction of the Jeanne Mance homes, which is the first project involving slum clearance and the construction of healthy low rent family dwellings ever to be undertaken in the province of Quebec, following an agreement between both governments, federal and provincial. Works representing more than $10 million are being carried out in St. James

constituency where slums will be replaced by 800 salubrious houses, and the federal government pays 75 per cent of the cost.

Mr. Speaker, what we understand also is the modernization which is going on in Montreal harbour, at a cost of $57 million, and for a large part, in St. James constituency. What we understand, Mr. Speaker, is the work initiated by the hon. Minister of Transport (Mr. Hees), to give to the Jacques Cartier bridge an additional lane and to speed up, as he said this morning, the construction of the Champlain bridge, which had been delayed until the Conservative government, these last few months, took decisive steps.

These things are real, Mr. Speaker; we understand them and we can see them with our own eyes. That is why we in St. James were so glad to hear of the measures outlined in the speech from the throne, particularly those relating to housing, the national development program to be carried out in co-operation with the provinces, emergency projects designed to alleviate unemployment, and particularly projects for the development and the proper use of our national resources and the growth of efficient industry based upon them.

We are proud of that program of national development, because it stresses a desire of growth which makes use of the natural resources with which Providence has so generously endowed our country. We have confidence in this vision of the future that the Right Hon. John Diefenbaker has held up to the people of Canada and which is worthy of the faith of the fathers of confederation, of those who thought, nearly a century ago, of a Canada *"a mari usque ad mare"*.

(Text):

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

(Translation):

Mr. Campeau: Mr. Speaker, in rising to speak tonight, I would like to welcome the hon. members for Grenville-Dundas (Mrs. Casselman), for Springfield (Mr. Slogan) who sit with us for the first time and for Trinity (Mr. Hellyer).

I also take this opportunity to express my satisfaction in seeing you again preside over the debates of the house with this sense of justice and logic and with this serene calm, this pleasant wit so typical of you.

Before recess this afternoon, I had pointed out that we were proud of the national development program mentioned in the speech from the throne, because it expresses a will to expand similar to the one shown by the fathers of confederation when they wanted, almost a century ago, to make a Canada *"a mari usque ad mare"*. In our opinion, it is in this respect that the right hon. Prime Minister (Mr. Diefenbaker) has shown his profound understanding of Canada's basic mission as a nation, within the framework of confederation, by offering to all Canadians an opportunity to build by practical stages a Canada by and for all Canadians closely united in a development of which they are willing to pay the price in order that its immense benefits may be secured both for themselves and for their children. We are grateful to the right hon. Prime Minister for devoting all his energy to the realization of Sir Wilfrid Laurier's vision: "The twentieth century belongs to Canada".

Mr. Speaker, in connection with this national development policy based on the functional development of natural resources, I would like to stress the importance of physical and human capital as represented by urban development the most typical expression of which is the constituency of St. James.

The development of cities in Canada has been so rapid that it is now the source of a problem facing the whole Canadian people. More than 65 per cent of the Canadian population now live in the cities, towns or villages, and more than 36 per cent in major metropolitan areas. The Gordon commission foresees that during the next 25 years the urban population will reach 80 per cent of the total Canadian population. This urban expansion will affect more than 2,000 square miles of land and require an extra capital outlay of $4,100 billion for housing, educational and other institutions as well as municipal works.

Obviously this urban expansion requires a concentrated effort to achieve at all levels of government an effective co-ordination of the activities aiming at solving those urban problems which are more and more numerous, important and urgent.

More and more, public works undertaken by the federal government play a necessarily paramount role in the urban development throughout this country.

A realistic approach shows that it is expedient, indeed necessary, that federal

activities be organized so as to tie in with local and regional town planning. In the matter of housing, slum clearance, government buildings and other similar projects, individual projects can and should be mapped out so as to fit in the master plans worked out by the municipalities. Many public works, thus thought out and implemented, could meet federal needs while replacing or at least fitting in the local projects. This procedure could bring to the municipalities in most cases a much more substantial help than grants without giving rise to any constitutional issues. Thus local and regional town planning would be furthered as it has never been in the past.

It can be said without exaggeration that it would be proper to initiate research at the federal government level, in order to establish the relationship that could exist between federal projects on the one hand and municipal projects on the other, as foreseen in the planning schemes of the municipalities. These projects could replace or complete one another in the best interests of the municipalities.

It therefore appears essential and urgent that the national development program be drawn up in such a way as to provide positive help for urban development throughout the country, in fields where federal activity is already intense, such for example as those of natural resources, public works, transportation and communications, and of low cost and low rental housing. Such co-ordination must be achieved at the federal level in order to give practical aid to municipalities that are experiencing growing pains.

As an illustration, Mr. Speaker, may I refer to the constituency of St. James, in the context of the Montreal area.

The National Housing Act, and the generous amounts placed at the disposal of builders in the last few months, thanks to the Conservative government, give hopes for a substantial improvement of housing conditions in the very heart of Montreal.

The example set by the Jeanne Mance home building project will certainly be followed by other similar schemes for slum clearance and low rental family dwellings. I wish to assure my constituents of St. James that we will spare no efforts to ensure that the renovation initiated in our constituency will be pursued actively in the future. At this point, I wish to thank my colleague, the hon. member for St. Mary (Mr. Valade) who shared my efforts to secure for the eastern portion of the centre of the city, the benefits of the National Housing Act, and thus to bring forth in the eastern part of the city a development of real estate comparable to that enjoyed by the western portion of centre town.

The harbour is constantly improving and already the wharves are spreading towards the east of the island of Montreal, on the north shore while on the south shore, expansion projects are getting under way in the area of Varennes, Vercheres and Contrecœur. We have reason to believe that, in the near future, there will be a bridge or a tunnel across Ste. Therese island to connect the harbour developments of the north shore with those of the south shore and to facilitate trading between both shores, while providing an easy access for the working population of the eastern part of the island of Montreal, to this colossal industry which is growing on the south shore and which needs this supply of labour to develop adequately.

The harbour development will require traffic and parking facilities that will have to be integrated with those of the city of Montreal. The harbour's commercial traffic already requires a speedway that could be connected with the multi-lane highway project recommended by the city of Montreal along the harbour, from Place Royale to Bonsecours church, and even further towards the extreme east.

Parking facilities urgently needed at the harbour, both for its employees and visitors who go there on business, could be developed in such a way as to meet on occasion the needs of neighbouring industries.

In the very near future, the development of jet planes will require a decentralization of airport services in Dorval. Consideration should be given right away to providing a functional area to this end, in view of the fact that the urban development of Montreal is rapidly reducing to nothing the great vacant spaces. In view of the intensive industrial development which is taking place in the Vercheres, Varennes and Contrecœur area, the territory where Ste. Therese island is located should be seriously examined with a view to maintaining and intensifying the residential industrial and harbour development of that expanding area.

The utilization of railway rights of way for public transportation purposes would help to

solve rapidly a major problem facing the economic life of Montreal, and at the same time it would lighten the heavy burden of commuters' services provided by railway companies. The advantage of such a solution would be to fully utilize a capital already invested and to provide the public transportation problem with a solution which would certainly be the most economical and especially the most rapid.

Finally, the construction of public buildings, if their location is integrated in the overall city plan, is a substantial renovating factor, and a creator of real estate increment value which is of benefit to the whole area concerned. We believe that due to the intensive development of the Montreal area, a new concentration of federal services will become advisable in the near future. It would be logical to consider, to this end, the eastern part of central Montreal which would be very convenient for the setting up of an administrative centre. Such a measure, developed in accordance with a functional town-planning concept, would help eradicate slum areas, would provide a radical element of renovation and would encourage, on the part of private enterprise, large scale programs to the advantage of the whole eastern part of the island of Montreal.

Mr. Speaker, in closing my remarks, I speak on behalf of the citizens of St. James constituency in expressing our confidence in the future of Montreal, of the province of Quebec and of Canada.

We are not afraid of recessions, regressions and inflation. We do not allow ourselves to be frightened more than necessary by the prophets of doom who unconsciously interfere with the good name of their own national institutions. We are not happy with unemployment, but we don't enjoy either the abstract calculations of so-called experts who are ready to offer solutions to any problem, remedies unable to withstand the dire laws of reality.

Once again, we prefer the measures initiated by the present government, the ones tending to increase the credits for housing, to eliminate railway crossings and other such measures, without mentioning again the ones I outlined a moment ago. We don't want to be stopped by a short sighted pessimism, generating fear, inaction and procrastination.

On the contrary, Mr. Speaker, our arms, our intelligences, our hearts, will be put actively to the service of our country, so that the difficult moments could give way to a continued growth and that our children could be proud of our achievements.

We believe in the greatness of Canada, and to follow in the footsteps of Macdonald and Cartier, we want to set in the stone, brick and concrete, for the benefit of the following generations, an unlimited vision of the future of Canada.

(Text):

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I too should like to add my sincere congratulations to the mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address in reply to the speech from the throne. Their presentations reflected credit on themselves, their constituencies and this house. At this time I should also like to say that you, Mr. Speaker, the Deputy Speaker and the chairman of the committee of the whole have certainly carried out the duties of your respective offices in a dignified manner and in a way very acceptable to all parties in the house.

I have the honour, Mr. Speaker, to be the Liberal representative for the riding of Trinity-Conception, Newfoundland, which riding takes in many settlements in Conception and Trinity bays. My riding has a population of approximately 58,000 and I intend to work in the interests of these people as long as I have the honour to represent them. The riding begins at Brigus, approximately 50 miles from St. John's, and goes north to cape Bonavista where John Cabot is said to have first sighted land when he discovered Newfoundland in 1497.

I regret to have to inform the house that there is much unemployment in my riding, as there is all over Newfoundland, and many Newfoundlanders have already stated that we are being treated as second-class Canadians. But I say now without fear of contradiction that we are just as good a type of Canadian as you will find in any other part of Canada.

We have been waiting for months for the Prime Minister (Mr. Diefenbaker) to make a statement on the McNair report respecting term 29 and Tories and Liberals alike in Newfoundland are expecting an upward revision based on this report. In term 29 of the terms of union of Newfoundland with Canada there is written the consummation of the union of Newfoundland with Canada, the grand finale of the linking of two British dominions, the dominion of Newfoundland with the dominion of Canada, and as in the marriage ceremony one and one when joined together make one. So we now have one great dominion, the great dominion of Canada which stretches from the Pacific to the Atlantic. As it is said that the twentieth century belongs to Canada, Canada is now called upon to act generously to her newly adopted child at a time when the ruling

government of Canada has the greatest number of elected representatives since the Dominion of Canada came into existence.

Newfoundland has been a province of Canada for the past ten years. Let us compare it with some of our other provinces, for example the maritime provinces. We will see how far behind any of these provinces Newfoundland stands today through no fault of her own but because we have so much time and progress to make up. Newfoundland will be far behind even the maritimes until the federal government of Canada meets its obligations to the latest adopted member of the Canadian family. In a province where road communications, schools, public buildings and other public services were so far behind the other provinces the Newfoundland government has done a tremendous job during the past ten years with the finances at its disposal. But the people have had to be taxed to help to get these public services and the government has gone into debt even to the extent of floating large loans which must eventually be repaid with interest.

Never before in the history of any nation or the government of any country was such an opportunity presented as is now facing the government of Canada to show its righteousness, its sense of justice and sense of welfare for its own family as in the case of Newfoundland. This is not a party measure, Mr. Speaker, where Conservatives, Liberals and C.C.F. can be divided on the issue. This is a case where all parties must combine to achieve a just and reasonable solution to the problem so that in the years that lie ahead Canadians yet unborn can refer to the legislation passed on this occasion with pride and respect because they will be able to say that when Canada and the government of Canada were weighed in the balance on this occasion in 1959 they met the issue fairly and squarely and were considerate and generous in their decision to award sufficient financial assistance to Newfoundland to carry on and to reach the standard attained by the maritime provinces in their public services.

This standard reached or hoped to be reached in the public service of Newfoundland must be accomplished without resorting to taxation more burdensome than that existing in the maritime provinces. This was only inserted to make up a number of minds because it is a recognized fact that the cost of living in Newfoundland is the highest in Canada. Taxes are tremendously high, even more burdensome than anywhere else in Canada.

I would suggest to the Prime Minister and to all parties in this parliament that they be generous toward Newfoundland in reaching their decision. I should like to say that here and now there should be a clause inserted in the legislation to the effect that our decision and financial award should be reviewed again within a certain period of time so that the spirit as well as the letter of term 29 will be observed. Do not let it be said of us, as representatives of the people of Canada, that the province and people of Newfoundland came unto their own, and their own received them not, as is recorded in history in respect of Him who was born in a stable at Bethlehem. Let us not fail Newfoundland, and let us not discredit the great Dominion of Canada in this, the twentieth century, the century that the great Laurier said belonged to Canada.

Because of the failure of the fishery, a large majority of the fishermen in Newfoundland, through no fault of their own, did not get enough stamps to get unemployment insurance. We had in the Newfoundland cod fishery the worst crop failure in Canada. All Liberal members from Newfoundland join in strong representations to the Prime Minister that something should be done for these fishermen, something comparable with what the government did for the farmers in the west. All Newfoundland fishermen were disappointed when on Tuesday, January 20, the Minister of Labour (Mr. Starr) told us that nothing could be done for our fishermen. On page 78 of *Hansard* for that date there was a supplementary question asked of the minister by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) as follows:

> Did I understand the minister to say consideration is no longer being given to a reduction in the number of stamps required by fishermen for unemployment insurance?

The minister answered as follows:

> I said, sir, no consideration is being given to reducing the 15 stamps that are required for seasonal benefits at the moment, and that includes everyone.

Newfoundland fishermen, work hard and long, from daylight to sunset. They worked a sufficient number of hours but they did not get enough fish to enable them to obtain sufficient stamps to qualify for unemployment insurance benefits. This regulation is just not fair to our Newfoundland fishermen. I again appeal to the Prime Minister to reconsider the matter and to give these fishermen who are in great need the same consideration as was given to the farmers last September. Last year there were more men prosecuting the fishery than for a number of years, but still there were less fish caught than in previous years. There was less salt

fish produced than in any year on record. As a matter of fact, we had a decrease of 40 per cent in lightly salted fish and 35 per cent in heavily salted fish.

In addition to our salt fish industry we annually export to the United States of America approximately 60 million pounds of fresh frozen fish. In 1958 there were approximately 450 million pounds of fish caught, 100 million pounds less than in the previous year. A shortage of bait, the failure of the trawl and trap fisheries and stormy weather were amongst the chief factors for the failure of the shore fisheries. The federal department has taken steps to have mobile bait units placed in a few fishing settlements. I urge the government to send more to Newfoundland because I am convinced that while these depots will not solve the main difficulties they will go a long way toward helping the fishermen.

At the present time it looks as if there will be more men prosecuting the fishery in 1959 than there have been for a number of years. I sincerely hope that their efforts will be amply repaid. For more than 100 years the cod trap, hook and line and trawls have been the methods of shore fishing in Newfoundland. We have now approximately 70,500 fishermen in 1,300 settlements along our 6,000 miles of rugged but picturesque coastline. It can be seen, therefore, that the fisheries still are, as they have been, one of our main industries and every effort should be made by this government to see that all measures are taken to protect and assist this most important industry which can and should be further developed. When we consider the nature of the inshore fishing, and the present system followed by our shore fishermen, we can see that salt fish will be produced mainly for many years to come.

I understand that for a number of years the building of fish stages has been under consideration, and recently the federal government approved of the construction of some 20 community fish stages in Newfoundland. It is estimated, I believe, the cost will be $500,000, and the sites selected are supposed to be in the areas most affected by the failure of the fishery in 1958. At the present time the fishermen have their own fish stages for landing their fish, their own storerooms for salting their fish and their own flakes for drying their fish. These community stages should be a great help in producing a more uniform quality of fish, and should enable our fishermen to operate more efficiently. I understand that two of these stages are to be built in the riding of Trinity-Conception in the near future. I hope that more will be built next year.

I would strongly recommend that these community stages be erected in the late fall and early spring rather than during the winter because high seas and stormy weather make it practically impossible for the men to work and produce anything worth while for their efforts. Last year most of the bait that we had in our cold storage was sold to competitors, and we had to bring in bait.

Some 400,000 pounds of European squid were brought to Newfoundland. Steps should be taken to see that this does not happen again. Instead steps should be taken to see that all the cold storages are filled to capacity if and when bait of the species of caplin, squid, herring and mackerel are available. Reports of stocks should be presented weekly to the department concerned. The question of distribution of bait to our fishermen, in addition to the mobile units, should be given serious consideration and a trial period for bait distribution should be initiated. Further research should be continued with regard to the non-appearance of squid last year and a new method of catching bait should be studied.

In Newfoundland today we have another problem, namely that of our coastal fleet which is practically a thing of the past. Newfoundland is an island and coastal boats or freighters are and will be required to take provisions and supplies to many of our settlements. I think the time is now opportune for giving assistance in the matter of the building of schooners of from 100 gross tons to 200 gross tons for this important purpose, especially when we consider the fact that most of our coastal boats are nigh ready for the scrap heap and are not being replaced and supplemented at a sufficient pace to keep up the poor service now in existence, let alone improve it.

It is estimated that approximately $400,000 is spent annually by Newfoundland boat operators outside of Newfoundland. The lack of docking facilities and its effect upon efficiency and the cost of boat operations in Newfoundland requires immediate action. Dockyard facilities are badly needed to service ships, schooners, boats and longliners registered in Newfoundland. Last year I suggested—and I do so again—that docking facilities be established in Harbour Grace, Clarenville, St. Anthony, Corner Brook, Burin and Bay Bulls. The C.N.R. dock at St. John's is not able to handle the number of boats requiring its facilities, one reason being that it must, or at least it should, look after its own boats first.

The Minister of Labour (Mr. Starr) is said to have stated that reports from across the

country revealed that the national winter employment program was providing jobs for many unemployed and that the winter works incentive program introduced by the federal government was meeting with co-operation from provincial and municipal authorities. That may be correct, Mr. Speaker, as to provinces on the mainland but it has not helped to solve the problem of unemployment in any way in Newfoundland. All provinces of Canada may differ from one another but Newfoundland differs more greatly than any other and her problems should receive special consideration.

Outside St. John's and Corner Brook there are in Newfoundland no municipalities in the sense that they exist on the mainland; and for most of Newfoundland there is no municipal organization in the province with the power or resources to carry out such works. In eastern Newfoundland some 17,500 persons were registered as unemployed with the unemployment insurance commission in St. John's on January 17, and I would say that almost as many more were unemployed and not registered, many of whom are excluded for many reasons. Of course, this figure does not include the lumbermen who are out of work because of labour disputes. I sincerely hope that the present strike will soon come to an end in order that the economy of Newfoundland may not be affected.

Mr. Speaker, freight rate increases are playing havoc in Newfoundland. Twelve increases have been granted in the past ten years, the same number of years that Newfoundland has been a province of Canada. These increases have helped to drive the cost of living for all Canadians to a high level; but for the Atlantic province they have driven it to a height that makes living for the residents of these provinces both burdensome and back breaking. For Newfoundland, still with its antiquated non-Canadian type railway, the last increase in freight rates has been the straw that broke the camel's back.

Is this the position the government took with regard to this last request from the railways for an increase and which the board of transport commissioners granted, because they chose to accept the lesser of two evils, refuse the increase and have a railway strike on their hands and face what they consider to be a national disaster by the tie-up of the railways? But what consideration did they give to the major part of Canadian citizens when they well knew that the granting of this latest raise in freight rates would affect every single Canadian from the Pacific to the Atlantic and drive up to an unprecedented high the already burdensome cost of living?

The provinces, especially the maritimes, have long since requested the government to renew and revise the freight rate structure, but to date little has been done; and as I have already stated the continuation of increases in freight rates tends to make the mode of living that much harder in Newfoundland.

Mr. Speaker, this granting of freight rate increases is not the solution to the railway difficulties. This granting of freight rate increases is slowly but surely destroying the faith of the Canadian people in this government of ours. It is increasing beyond the point of endurance and acceptability the cost of living for our people. It is creating unemployment. It is forcing the federal government and the governments of the provinces to dispense social assistance beyond the expectations of even the wisest statesmen's dreams, for that would be the score in Canada in 1959.

Our hopes, our aspirations and our determination to make Canada a great nation cannot be achieved by transactions such as those we have witnessed. We must here and now find a better solution to the problems of our railway than by shifting the burden of its deficiency on to the shoulders of our already overtaxed people.

The provincial minister of the department of highways of Newfoundland recently stated that the total length of the highway from Port aux Basques to St. John's will be approximately 568 miles. Twenty-five miles of this is through the national park which is a federal responsibility. This leaves a distance of 542 miles to be built by the province of Newfoundland. Of this, 256 miles have already been built and are ready for paving. Thirty-five miles have been paved, leaving 286 miles to be built and a total of 508 miles to be paved.

The minister estimated the cost of building the highway would be $31,500,000 for the construction of 286 miles and $22,600,000 for the paving of 508 miles and $4,223,000 for the building or construction of 34 bridges making a grand total of $58,225,000 to be spent on roads. With the present agreement between the province and the federal government Newfoundland will have to spend $28,112,000. The minister further stated that Newfoundland has to build more miles of the trans-Canada highway per capita than any other province in Canada. He also said that when the present agreement expires in 1960 he feels a more realistic division of cost

should be agreed upon; otherwise the trans-Canada highway from St. John's to Vancouver will not be completed for at least another ten years.

I hope that the speech which I have just delivered will not have fallen on deaf ears but that the present government will give serious consideration to many of the problems of Newfoundland which because of many factors are unique. I should like to tell the government that we are not seeking something to which we are not entitled.

At this time I wish to repeat my leader's appeal to the government to conclude this debate immediately and proceed at once with legislation to deal with the unemployment problem. As long as the government persists in prolonging the debate and delaying action the Liberal party will take its part in the debate but we are ready to have the vote now and get on with the nation's business.

Mr. J. C. MacRae (York-Sunbury): Mr. Speaker, my first words must be of congratulation to the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne. The hon. member for Provencher brought to the attention of this house in his masterful way the viewpoint, the problems and the aspirations of the western farmer. The hon. member for Montmagny-L'Islet in that beautiful French language expressed very clearly not only the wish but the need for complete national unity of all those ethnic groups that make up our nation. I should like to express the thought that on March 31, 1958 in the general election held on that day one of the most forward steps in national unity since confederation was taken by the good people of Quebec when they sent to this house 50 Conservative members of the 75 who were elected from "la belle" province.

I could not let this opportunity pass, Mr. Speaker, without saying a few words about your person. I have had the privilege of sitting in this house in the 23rd parliament and, of course, in the first session of the 24th parliament under your chairmanship. I have been deeply impressed as I know all hon. members have been by your fairness, your great knowledge of procedure and especially by your keen sense of humour. In this debate it is permissible for an hon. member to discuss his constituency. I should like to follow that precedent and for a part of the time at my disposal this evening discuss the constituency of York-Sunbury, New Brunswick, a beautiful part of a beautiful province. For the past 36 years York-Sunbury has had only four members in this house and I should like to pay my tribute to their service.

For 19 years our representative was the Hon. R. B. Hanson, minister of trade and commerce in the government of the Right Hon. R. B. Bennett and later leader of the official opposition. For a period of five years it was represented by the Hon. W. G. Clark, later lieutenant-governor of our province. From 1945 to 1947, following his return from war service, our representative was the Hon. H. F. G. Bridges as minister of fisheries. It was a great loss not only to his party and to the government of the day but to the country as a whole when the life of this able young man was cut short in 1947. From 1947 to 1957 York-Sunbury was represented by the Hon. Milton F. Gregg, V.C., whose portfolio for much of that time was that of labour. These hon. gentlemen represented York-Sunbury well and I am happy to be able to have this opportunity to pay this tribute to them.

The city of Fredericton is the largest centre in my constituency. Founded by the United Empire Loyalists in 1884 it is the seat of government for the province of New Brunswick. It has grown rapidly in the past dozen years, a condition which we hope to see continue. Nearby is the cotton milling town of Marysville. I would like to pause for just a moment at this point to express the thanks of the people of Marysville to the government for legislation passed in the previous session, the so-called anti-dumping legislation, which has made it possible for the major industry in this town to continue and to prosper. The textile industry as everyone knows is highly competitive. The legislation to which I have referred provides some degree of protection against the dumping of foreign textiles on the Canadian market which have been forcing our textile mills out of production. One year ago in this small mill there were 110 men and women employed. Today 200 are employed.

Fredericton is on the trans-Canada highway. A beautiful new bridge known as the Princess Margaret bridge will be officially opened this summer. Nearby, too, is the dominion experimental farm which is a credit to the Department of Agriculture and the government service as a whole. Within a few weeks construction of a new administration and science laboratory is to be commenced there costing in the neighbourhood of $1,750,000. Fredericton has its own municipal airport. However, the great expansion of the area has made the present facilities inadequate. Representations have been made to the Minister of Transport (Mr. Hees) about this and I would ask his full co-operation which I am sure will be forthcoming in

giving consideration to the legitimate requests which have been made by the city administration.

York-Sunbury also has other communities of some importance, the railway centre of MacAdam and the Minto coal mining area. I share with the Minister of Veterans Affairs (Mr. Brooks) the honour of representing the fine people in this area. I was deeply distressed as I am sure all hon. members of the house were to hear that there are to be temporary lay-offs in the Nova Scotian coal fields.

The employment picture in Minto has been brighter this winter than for several years past. And while I am discussing unemployment I might mention that I took the opportunity this afternoon to check the employment figures in my constituency and I found that there are 300 fewer people unemployed today than there were a year ago.

Now I should like to tell the house for a few moments about Camp Gagetown. Here in York-Sunbury and Royal is located what is considered to be one of the finest and most modern military installations in the world. The camp area contains over 500 square miles of the finest military training country in Canada, comprising training ranges, general manoeuver areas and localities for exercises for almost all types of warfare from jungle to mountain fighting. Secondly, there is the administration of the camp, with its more than 100 beautiful and functional buildings. Thirdly, and adjacent, is the married quarters where 2,000 homes provide service men and their families with excellent accommodation. Construction of this camp was begun in 1953 and it was officially opened on July 1, 1958 by the Minister of National Defence (Mr. Pearkes).

Beside the camp, where there was formerly only a small village known as Oromocto, there is growing a new city under a federal-provincial planning committee. Presently stationed at Camp Gagetown is the third Canadian infantry brigade group, a formation well-officered, well-manned and well-trained, and containing over 3,000 of Canada's finest soldiers. Camp Gagetown has had a marked effect on the economy of our province. It cost in the neighbourhood of $100 million to build. The annual payroll of servicemen and civilians is around $15 million. One example of its effect on our economy is the fact that in its central heating plant alone up to 300 tons of New Brunswick coal is burned every day in the winter time.

Mr. Speaker, I would like to talk about the economic needs and aspirations of my province as a whole. During the past two years especially great strides have been made. The program of power development in the Atlantic provinces, which is part of the policy of this present government, is of vital importance. Without electric power readily available at reasonable cost industry cannot function. The bill passed in the twenty-third parliament to lend $30 million to New Brunswick for the Beechwood hydro development was hailed in all parts of the province. The assistance which was promised, and which will be given in due course, to promote thermal power development will be of inestimable value. I need hardly say that the equalization grants paid to New Brunswick and to the other Atlantic provinces have had a most beneficial effect on our economy.

Mr. Speaker, I would urge the government to give further consideration to the following measures to develop not only New Brunswick but the whole Atlantic area. First, federal capital assistance to develop our resources. Our region is rich in minerals and forests but without federal aid we cannot develop them to the advantage of our area and the rest of Canada. I was deeply interested, as I am sure all members from the maritimes were interested, in the particular clause from the speech from the throne which read as follows:

> My government will continue in its economic policies to lay emphasis upon national development. My ministers believe that by the wise use of the resources with which nature has endowed this country, Canadians can achieve a continually rising standard of living. My government will therefore foster and encourage the proper development and use of these resources and the growth of efficient industry based upon them. Many projects for national development have already been put in hand; you will be asked to vote the supply necessary to continue these projects and to initiate others.

Mr. Speaker, we cannot have national development on its full scale unless every part of our nation is developed. There can be no second-class Canadians and there can be no second-class areas of Canada. I would urge our government to look towards the east. We in the maritimes, now as never before, require assistance on a grand scale to bring ourselves out of the financial doldrums in which we have found ourselves for nearly a century.

Our second request of the government is for a capital projects program which would provide federal assistance for provincial projects to enlarge the basic economy of our area. The Chignecto canal and the Prince Edward Island causeway are examples. We are proud, as all Canadians should be, of the magnificent St. Lawrence seaway, but one of the effects of the seaway could be to injure the great Atlantic all-year ports of Halifax and Saint John. We in the maritimes

also contributed to the building of the seaway. I would ask the government, through its appropriate minister, to press with vigour the investigation which is being conducted with regard to the Chignecto canal. We in the Atlantic provinces may again have to look to the sea for the shipment of the products of our region. The Chignecto canal should be of inestimable value from a transportation point of view.

Hon. members may remenber the former member for Westmorland making a very humorous suggestion—I think it was during the course of the twenty-third parliament—to the effect that both the canal project and the causeway project should be carried out at the same time by digging out the Chignecto canal and dumping the material into the strait to form the causeway. Unfortunately, the idea would not work.

Third, we would ask for a program of industrial decentralization. We note that as time goes on more and more industries are being concentrated in the central part of Canada, especially defence industries and crown corporations. We can well remember that during world war II very few defence industries were established in the maritime provinces. The minister of the Liberal government at that time made a statement in defence of this policy when he said: "After all, what would we do with them when the war is over?" In this day of nuclear warfare, dispersion is one of the basic principles of defence. We have the electric power and we can obtain more to turn the wheels of industry. We have the manpower—and it is good manpower—to staff the factories. All we need is a policy of decentralization which will locate those industries in the Atlantic region. I would ask our government to keep that in mind at all times.

Fourth, I would urge the government to implement a transportation policy which will provide the opportunity for our products to be carried to and sold in the markets of Canada at competitive prices. The recent increase in the freight rates of from 17 to 21 per cent was a crippling blow to us. There is an application pending for further increases which, if granted, could be the straw that could break the proverbial camel's back in our area. It is the long haul shippers of the Atlantic provinces who are hardest hit by the freight rate increase. With each increase it becomes harder for the Atlantic provinces to compete successfully in central Canadian markets. Each increase raises the price to both Atlantic region manufacturers and consumers of the goods and raw materials they import. A special committee of government is now studying this problem and legislation is to be brought down at this session. I hope that the deliberations and the legislation will provide a solution, but no half way measures will serve here. Legislation will not be of help unless there is a formula to protect us from the ravages of future freight rate increases.

One of the most forward steps taken in the Atlantic area in the last few years to raise the standard of living in our region has been the creation of the Atlantic provinces economic council, usually referred to as APEC.

APEC was formed in September of 1954. Its whole purpose was the improvement of the economic status of the area. It cuts across all lines. It embodies all people in all walks of life. The only requirement of those who wish to belong to this organization is that they must want to really contribute to the growth of the Atlantic region. Some of the projects which they have successfully sponsored have been exhibitions of maritime products, area trade fairs and the opening of the Atlantic provinces office in London, England.

APEC is attempting to attract the interest of industry and trade bodies to the possibility of establishing in the Atlantic area branches, outlets and purchasing centres. Its main function at the moment is as a fact-finding organization and then to stimulate the people of the area into economic action on the basis of the facts that it makes available. A former president of APEC expresses it this way:

> APEC's basic interest lies in a man with an idea, a government with a policy and an organization with a plan, all designed to produce economic betterment for the Atlantic region and for Canada as a nation.

I would like, Mr. Speaker, finally to discuss for a few moments an item in connection with our basic resource, namely our forests. New Brunswick, or most of its area, is covered with spruce and fir. I believe as an individual that we are not utilizing to its fullest extent the potential that is there. We know from experience what can happen when a resource is depleted through unwise use and exploitation. I had the opportunity recently of reading the brief presented by the Canadian lumbermen's association to the Minister of Northern Affairs and National Resources (Mr. Hamilton). This body presented a number of extremely valuable recommendations, especially concerning research and I would urge the minister to have his officials thoroughly consider the recommendations of this association. While their proposals must of necessity be viewed from a national basis yet, as I said, because the forests of our province are its greatest asset, those proposals vitally affect us in New Brunswick.

I have covered those points in connection with my constituency and my province which I wished to bring before the house at this time and in so doing have tried to emphasize the needs of the people whom I represent. May I sum up by saying that we believe—those of us who live in the Atlantic community—that we are entitled to the benefits of opportunity and security, which shall be no more, but shall certainly be no less, than all Canadians have the right to enjoy. I believe that this government, which has proven in fewer than two years to be one of the ablest administrations since confederation, will do everything in its power to see that this objective is attained.

(Translation):

Mr. Rodolphe Leduc (Gatineau): Mr. Speaker, I followed closely and with great interest the speeches of the different members who spoke on the address in reply to the speech from the throne, and I noticed that all of them have commended you for the impartial manner in which you preside over the debates of the house.

Mr. Speaker, not only do I offer you my most sincere congratulations, but I wish that the government, and particularly the right hon. Prime Minister (Mr. Diefenbaker), would implement the election promise that was made to the people of Canada, that of appointing a permanent Speaker. With your permission, Mr. Speaker, I would like to quote from a speech that the present Prime Minister made in Carman, Manitoba, on May 15, 1957, as reported in a Canadian press report in the Ottawa *Journal*:

(Text):

> Mr. Diefenbaker's proposal on parliamentary change contained two points not previously stated in his campaign to date:
>
> First, appointment of a permanent Speaker of the House of Commons in the British tradition, to remove him from "partisan politics".
>
> His proposals on parliamentary changes were made here as he renewed his criticism of government actions during last year's bitter commons pipe line debate.
>
> He said the government had made the Speaker a "party pawn" during the debate.
>
> In the past the speakership had alternated in each parliament between English and French-speaking members.
>
> "I believe that to preserve parliament both races would agree to putting the Speaker above party politics."

I fully agree with this statement, Mr. Speaker, and I hope that during this session, after the legislation is introduced to deal first of all with the unemployment situation, the government will bring in legislation to appoint Your Honour as permanent speaker.

I wish also to extend my congratulations to the Deputy Speaker and the chairman of the committee of the whole house. In the past they have performed their duties admirably.

(Translation):

Mr. Speaker, I also wish to offer my congratulations to the movers of the address in reply to the speech from the throne (Mr. Jorgenson and Mr. Fortin). They have both performed admirably the task they had been entrusted with. I also wish to congratulate the Leader of the Opposition (Mr. Pearson) for his wonderful speech.

Mr. Speaker, I said a while ago that, in my opinion, the two most important problems which are confronting the country at present are unemployment and inflation.

I listened very carefully to the speech of the Minister of Labour (Mr. Starr) and I noticed that he had been rather unfair in his remarks. He charged the opposition with offering mere criticisms without submitting any constructive suggestion to alleviate this serious problem. I take exception to the words of the minister, and I would like to quote to this house what he said on January 22, 1959, as recorded on page 188 of *Hansard*. Here is what he said:

> If we had from the members of the opposition the same co-operation and constructive and reasonable suggestions as we get from the provinces and the municipalities and organizations and individuals across this country who are endeavouring to co-operate with us to overcome and alleviate the situation, we would put thousands of people to work. But we are not getting that co-operation from the opposition. All we are getting is destructive criticism.

Well, Mr. Speaker, last year I made in this house some constructive and practical suggestions to solve the unemployment problem in my constituency. For the information of the minister and of other members let me read what I said in my speech of May 22, and I quote page 387 of *Hansard*:

> The speech from the throne announces a vast program of public works throughout the country to help the unemployed. In studying it carefully, I find that few of them will be carried out in my riding. The problem will not be solved until there is an agreement between the federal, provincial and municipal governments for the undertaking of realistic and useful works to create employment.

I would point out to the minister and to this house that I did not mention only winter works. I mentioned works that could be carried out any time in co-operation with the municipal and provincial governments. I said:

> Well, I am going to suggest works of federal responsibility which could be carried out in the riding of Gatineau. Public wharves could be built on some lakes and rivers. In the Gatineau district

the tourist industry ranks second in importance in the constituency. Thousands of tourists come there each year to spend their vacation, either to rest and admire the natural beauty of our lakes, forests and mountains, or for fishing and hunting. Vacationing attracts thousands of tourists, especially American tourists because part of the constituency is located in the area of the national capital, about 60 miles from the border of the most populous state of the United States, the state of New York. Those tourists complain that there are no public wharves on many lakes, which causes considerable difficulties. The government should start the construction of four wharves for which plans and estimates have been prepared by the Department of Public Works, that is: one on lake St. Marie, one at Maniwaki, one at Val des Bois, and one at Notre Dame de la Salette.

Mr. Speaker, I must say that since then I received an answer from the Minister of Public Works (Mr. Green) and that those four wharves have been refused.

The development of Gatineau park, the only national park in the province of Quebec, might be immediately carried out, which would give employment to hundreds of workless people. Incidentally, I would ask my colleagues in this house, and particularly hon. members from the province of Quebec, to visit Gatineau national park which is unique in the province.

As a matter of fact, it is the only national park in the province of Quebec.

The public park and beach which last year were given to the Federal District Commission by the town of Aylmer might also be developed right away and jobs be created for a great number of unemployed.

Mr. Speaker, I was told by the Federal District Commission that they had not enough money to develop that park. I hope that the government will make available to the new National Capital Commission the money required to develop that park in the beautiful city of Aylmer. I also said:

A vast program of public works to be pursued jointly with the provincial and municipal governments might also be launched.

As I said, the winter work program is not enough, and I submit the government does not make a sufficient contribution to the cost of these municipal projects.

There are roads to build and to improve, bridges to span and protecting walls to erect in order to prevent erosion . . . bridges—

Talking about bridges, Mr. Speaker, I should like to say a few words about the bridge connecting Hull and Ottawa. It is the first time I have dealt with that subject on the floor of the house. It is an interprovincial bridge. The construction of that bridge does not concern only the federal government but also the provinces of Ontario and Quebec as well as the cities of Ottawa and Hull. I have read in the press that the premier of the province of Quebec had stated that if the federal government wanted a new bridge between Hull and Ottawa it had but to build it at its own expense.

Mr. Speaker, here is my personal view on that matter, and I leave it with the government. In my opinion, the Quebec government is responsible for part of cost of building that bridge and it should pay its share. If it refuses, this government does not have to pay the share of that province, since the bridge connecting Hull and Ottawa serves not only the city of Hull but also the Pontiac, Gatineau and Labelle ridings, as well as the south shore of the Ottawa river, while the people from Abitibi and north-western Quebec have to use it to get to the federal capital.

The province of Quebec has a responsibility and it should pay its own share, the same as it did for the Calumet island bridge. If the federal government backs up on that point, what will happen of the responsibility of the province of Quebec as far as the water pollution of the Ottawa river is concerned? The province of Ontario and the city of Ottawa are ridding the Ottawa river of the sewers discharging into it. On the other hand, on the Quebec side, the sewage of Aylmer, Deschenes, Hull, Gatineau Point and Gatineau Mills flows into the Ottawa river. How is it possible to solve the problem of water pollution in the Ottawa river if the city of Ottawa is the only one to take steps along these lines? The province of Quebec is responsible for the purifying on the Quebec side of the river. There are other bridges to be built. As my hon. friend the member for Carleton (Mr. Bell) mentioned, a bridge between Deschenes and Britannia is essential. The province of Quebec must face its responsibilities and the federal government, in my opinion, unless it intends to make a gift to the province of Quebec, should limit itself to paying its own share only.

Mr. Speaker, I read in the papers over the week-end that the members of the new national capital commission had been appointed. Unfortunately, I do not know personally all those who have been appointed on that commission. However, I would like to congratulate the government for having appointed General Kennedy as chairman of that commission. General Kennedy has done a tremendous job with that commission. I have no doubt that the new members of the commission will do a wonderful job of

giving to the region a development plan worthy of our national capital. I would like to take this opportunity to congratulate Mr. Morin, of the city of Aylmer in my constituency, for having been appointed as a representative of all the municipalities of the province of Quebec on the national capital commission.

I have a few suggestions to make, Mr. Speaker, on the development of the Gatineau park, and I would like at the same time to tell you how happy I was last summer to read in the papers that the right hon. Prime Minister had accepted the house made available to him by the federal district commission on lake Harrington. I am sure the right hon. Prime Minister has been able to rest in that lovely site in my constituency. I know also that the constituents of Gatineau have been pleased to learn through the newspapers that Princess Margaret had spent a few days rest there. Incidentally, I am privileged for not only does the right hon. Prime Minister spend his summer vacation in my constituency, but the Leader of the Opposition also has his summer residence a few miles from Chelsea. As for you, Mr. Speaker, I know you have spent happy hours in Mr. Mackenzie King's former residence.

I said that I had a few suggestions to make with regard to the development of Gatineau park. You all know that the federal district commission is now building a driveway and preparing plans for the full development of that park. It seems to me that the commission should undertake at once the biological study of all lakes in the park and destroy any harmful fish. It would be important also to set up in Gatineau park a fish-breeding station and to stock all these lakes with fish, so that the development program should be complete and that the public might enjoy all the benefits it offers.

Mr. Speaker, it is with great interest that I listened to the speeches delivered by my hon. friends opposite, and I have noted that several of them had made a marvellous discovery. In fact, many of them did not know that there existed in Canada a housing act prior to the coming into power of our hon. friends. According to them, the National Housing Act was a revelation, especially as regards my friend from York-Scarborough (Mr. McGee). Last year, more than 135,000 houses were built. I say to my hon. friend and to his colleagues that in 1955 the then Minister of Public Works, the Hon. Mr. Winters, gave in Toronto the key to the thousandth house built under this plan. We had already built, in 1955, one million houses beside all those that had been built under the Veterans' Land Act, and beside all the other houses that had been built during the war to lodge the workers around the plants.

I congratulate the government for having made housing more readily available. But I ask the government: what have you done by way of housing for large families? What have you done to help families with five, six, seven, eight, nine, 10, 12 and 15 children?

What have you done? The answer is quite simple: nothing. You have done nothing whatsoever to help large families find suitable homes. And, Mr. Speaker, you are aware of the problem that faces a man who has a large family and is unemployed in this day and age. You are also aware that property owners dislike large families. I feel, Mr. Speaker, that the government could easily make it possible for the heads of large families to own their own home. If there is a particular class of citizens that deserves sympathy and attention on the part of the government, surely it is that of the heads of large families. Are there any people who accept greater sacrifices for their country than those who raise a family of eight, nine, ten, twelve and even fifteen children?

Mr. Fortin: They have had compensations.

Mr. Leduc: You say they have had compensations. Would you specify?

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I ask a question of the hon. member for Gatineau?

Mr. Leduc: If the hon. member—

Mr. Pigeon: Could he tell us how many children he has?

Mr. Leduc: Mr. Speaker, I will not mention the constituency of the hon. member, because I have too much respect for those who represented it previously—

Mr. Habel: You are not in Quebec city.

Mr. Leduc: If there is a group of citizens that is entitled to some attention from the government, surely it is the group that supplies the country with men and women to replace the dying generation. If the government really wanted to help large families, it could do so through family allowances. In

my opinion, family allowances, a social measure which was adopted by the Liberals and supported by certain Conservatives, are the ideal way to help large families. However, Mr. Speaker, keeping on the same subject, I have found one thing: reading through all the promises made by the present Prime Minister in the last two election campaigns, I find that he never mentioned that he would raise family allowances. He did mention that he would raise all pensions, but there is not a word, in his two volumes of promises, concerning an increase in family allowances.

Mr. Speaker, the government could very easily help large families. It might pass a bill providing that the rates of family allowances be doubled for families of five or six children or more. Such an increase would help men with a large family to build themselves a home so that their children might be housed properly.

Mr. Speaker, may I, for a few minutes, comment upon the great problem of unemployment. I discussed the same problem last year. The hon. members will probably applaud at my statement, and I am proud to make such a statement, to the effect that in my constituency, the unemployment situation is less severe this year than last year. And I am quite happy at this. However, certain cases are much more pitiful this year. Last year nearly all the unemployed could get, at least, the seasonal benefits, but this year, many unemployed have not been able to work long enough to accumulate at least 15 weeks of stamps. Today, they are without work and they cannot receive the benefits.

Mr. Speaker, before I close these remarks may I say that I listened with great interest to the speech the hon. member for York-Scarborough (Mr. McGee) delivered last Tuesday, to that part especially where he said, and I quote from page 85 of *Hansard:*

> I wonder where were these brave fighters for Liberalism when the dictates and pressures of Mr. C. D. Howe steamrolled certain measures through this house?

These words bring me to the matter of the closure rule that our hon. friends opposite were to abolish.

(Text):

I shall read from a report which appeared in the Winnipeg *Free Press* of April 26, 1957:

> Mr. Diefenbaker reiterated his charge that the Liberal government has denied its responsibility to the people's elected representatives in parliament. Parliament had been "sorely wounded and robbed of its rights".
>
> A Conservative government would abolish closure, the parliamentary device used last year to limit debate and permit passage by a government deadline of the controversial natural gas pipe line legislation. It would be abolished to prevent possible misuse in future.

(Translation):

Mr. Speaker, I would like to . . .

(Text):

Mr. Speaker: It seems rather an inopportune time to remind the hon. member that his time has expired but I am afraid I must do so.

Mr. Percy Vivian (Durham): Mr. Speaker, as the member of parliament for the historic county of Durham in the province of Ontario I rise at this very late hour to take part in this debate on the address in reply to the speech from the throne. In doing so I wish to express admiration for and extend most hearty congratulations to the hon. member for Provencher (Mr. Jorgenson) and the hon. member for Montmagny-L'Islet (Mr. Fortin), not only for their very able and most inspiring statements but also for their having been granted the signal honour of being the mover and seconder of this address.

Traditionally the gracious throne speech itself sets forth the intent of the government of the day with respect to its actions in the ensuing parliament and describes what it proposes to do for the people of the country. Although that is traditional I believe that on this occasion there is more than tradition involved. I feel that this particular throne speech does much more. The words of the gracious speech are quite clear to all those who wish to understand. These are the positive words of a government that knows the problems of the Canadian people and is taking effective steps to meet those problems. The government is doing for the people of the country the very best that it is possible to do at this time.

There has been criticism of all sorts from the opposition benches and in the particular instance of the criticism launched by the Leader of the Opposition (Mr. Pearson) the critical comment has been lengthy. Such comments, however, have not brought out anything of which the government is not aware, as far as I can determine, nor has it been of a type that could be considered constructive. I might also say it does not give to the Canadian people the impression that the Leader of the Opposition or his party could do anything better than is being done. In fact, in my opinion a great deal of the criticism has been woefully weak and although hon. gentlemen opposite have spoken at great length on a variety of topics some very important matters have been barely mentioned. I refer particularly to the subject of agriculture.

Agriculture is of the greatest importance to Canada as a whole and is of particular importance to large sections of our popula-

tion from coast to coast, not excluding the county of Durham. In contrast to the lack of constructive critical comment from the opposition benches this government has been prepared to state its recognition that while it has done a great deal for agriculture in the last 18 months a great deal more needs to be done to give the agriculturists, our farmers, a fairer share of the national income. In other words, much has been done to improve the lot of the farmer compared with what was done under the former Liberal regime but further steps are needed and some will now be taken.

I should like at this time to quote the intention of the government with respect to agriculture as expressed in the words of the speech from the throne:

> Additional legislation in the field of agriculture will be recommended. A measure will be laid before you to institute a system of crop insurance in co-operation with such provinces as so desire. You will also be invited to make a comprehensive review and revision of the legislation concerning farm credit, in order that credit may be more effective in assisting in the development and maintenance of an efficient and prosperous agriculture.

Surely this is a real advance in what I consider to be the very long road that must be travelled before our farmers are really in receipt of their fair share of the national income, a goal which at least we on this side of the house hope will be attained.

While hon. gentlemen opposite did not refer to agriculture with any great frequency there were closely related matters which were touched upon superficially—and I gathered the impression in some instances, rather insincerely—and on the odd occasion in contradiction to the words of hon. gentlemen spoken other than in this house. However, much of the comment made by the Leader of Opposition has been and will be refuted by ministers of the crown when dealing with their own departments and by other hon. members in relation to their own constituencies. I shall, therefore, limit my observations on these criticisms to the comments I have made and comment favourably on certain intentions of the government as contained in the gracious speech.

One important reference in the throne speech was that to the commonwealth trade and economic conference held in Montreal last September. I noted with interest the remarks of the Leader of the Opposition on this subject and also what he said about a not altogether unrelated matter, that of Canadian-United States relations. The speech from the throne contains the following words:

> In response to suggestions put forward by my government, a commonwealth trade and economic conference was held in Montreal last September. This meeting, one of the most important in the history of the commonwealth, was attended by ministers representing the self-governing nations of the commonwealth and the countries now looking forward to obtaining full sovereignty. A large measure of agreement was reached on trade and economic matters. This has led to far-reaching decisions on the part of the United Kingdom and other countries to restore convertibility of their currencies and to remove restrictions on imports.

Mr. Speaker, this was not just another conference of the kind held frequently since the last war under the Liberal regime. This conference was probably the most carefully prepared one of its kind ever held, in the opinion of experts who have attended many of them. In the scope of its representation alone there was a breadth which had not been equalled, because there were delegates not only from the United Kingdom, Canada, Australia, New Zealand and South Africa but also from India, Pakistan, Ceylon, Ghana, the federation of Malaya and Nyasaland. In addition, a number of colonial territories were represented to the United Kingdom in an advisory capacity; Nigeria, the West Indies, Kenya, Tanganyika, Uganda, Sierra Leone and Hong Kong. Incidentally, this was the first conference at which new members of the commonwealth in Asia and Africa outnumbered the older members. The conference dealt with an unusually wide range of topics as it concerned itself with more than commonwealth inter-relations. Its themes included the role of an expanding commonwealth in an expanding world and, with this, there was a realization of the crucial role which the commonwealth is playing in fostering world economic prosperity and in promoting the progress of its less developed member countries.

In spite of the words of the Leader of the Opposition (Mr. Pearson), I submit that this was a conference unique in its assembly. There were other words used in the course of critical comment which I think have been overdone, and I refer to the somewhat quibbling attitude toward the words "led" and "foreshadowed". The fact remains that after long periods of discussion and consideration prior to this conference, currencies have been made convertible, and I suggest that a major contributing factor to this event and to other matters of great importance was the large measure of agreement which was reached at Montreal on the widest possible range of topics.

This conference, however, did not limit its interest to commonwealth co-operation but sought the participation of other countries. In section II of the report of the Montreal conference dealing with commodity problems and agriculture, paragraph 45 of the whole, it is stated, and I quote:

> We recognize that, for the most part, effective action will require the participation of the important producing and consuming countries throughout the world.

Then I wish to underline the following, which is still part of the quotation:

> It is our hope that countries outside the commonwealth will accept our objectives and be prepared to join with us in our work.

We know that two of the great powers outside the commonwealth are the Soviet union and the United States. What can be done with respect to trade relations with the Soviet union is a mystery, but it is certainly no secret that the co-operation of the United States is essential to the success of many of the commonwealth endeavours. I would point out that after the commonwealth conference an event happened in the second committee of the United Nations during the thirteenth general assembly which is an example of improved relations not only with the commonwealth but with the United States, because at this point the Canadian delegation was able to obtain the full support of the delegation of the United States for the acceptance of language in a resolution on international commodity trade which went farther than the United States has ever been prepared to go before. This, I submit, is a real result, and it is only one example of the benefits which have flowed from the Montreal conference.

I do not understand, in the light of this and other examples, how the Leader of the Opposition can justify the position he took in minimizing the value of this last conference on trade and economic matters in Montreal.

On motion of Mr. Vivian the debate was adjourned.

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

Questions

ANSWERS TO QUESTIONS

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

FREIGHT RATE STRUCTURE INVESTIGATION

Question No. 1—**Mr. Chevrier:**

1. Did the government instruct the board of transport commissioners to make a thorough investigation into the freight rate structure in April, 1948?
2. If so, what were the terms of reference?
3. Has the investigation taken place and have interim reports been made from time to time?
4. If so, on what date and with reference to what category or classification of rates?
5. When will the investigation be terminated?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Yes.

2. The board was directed to undertake a general freight rates investigation along the lines indicated in order in council P.C. 1487 dated April 7, 1948, subject to such special statutory provisions as affect freight rates. The order in council is reproduced in the interim report of the board to the governor in council dated March 25, 1955, tabled on May 3, 1955.

3. Yes.

4. Public hearings commenced in 1951 and have been held on numerous subsequent dates and are continuing. Interim reports to the governor in council were made by the board, dated respectively March 25, 1955, September 23, 1957 and December 22, 1958. The first report had reference to class rates and the freight classification in connection therewith, mileage commodity rates and specific commodity rates; the second report had reference to additional mileage commodity rates and the third report had reference to other mileage commodity rates and specific commodity rates.

5. The investigation is being made jointly with the board's equalization of freight rates required by section 336 of the Railway Act. The board estimates that it will require two to three years to complete it.

TARIFF OF TOLLS, ST. LAWRENCE SEAWAY

Question No. 2—**Mr. Chevrier:**

1. Has an agreement been reached between Canada and the United States on the tariff of tolls to be charged on the seaway pursuant to the statute?
2. If so, when will the announcement be made?
3. Will the seaway authority or the St. Lawrence seaway development corporation be authorized to hear complaints from such tariff of tolls?
4. Will the board of transport commissioners also have jurisdiction to hear such complaints against the toll structure?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. No.

2. Answered by No. 1.

3 and 4. An announcement will be made when the final toll structure is announced simultaneously in Ottawa and Washington.

TARIFF OF TOLLS, ST. LAWRENCE SEAWAY—PUBLIC HEARINGS

Question No. 3—**Mr. Chevrier:**

1. Did the tolls committee of the St. Lawrence seaway authority hold public hearings on the tariff of tolls and tolls structure to be imposed upon ships using the seaway?
2. If so, were these hearings held jointly with the St. Lawrence seaway development corporation, or severally?
3. When and where were such hearings held?
4. Have recommendations been made to the government as a result of such hearings?
5. Will the tariff of tolls be amended?
6. If not, what is the next step toward implementation of the toll structure?
7. If a person finds himself aggrieved by the tolls or any portion thereof, before what body should he be heard for redress, and does an appeal lie from the decision of such body?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Public hearings on a proposed tariff were held by the St. Lawrence seaway authority.

2. Severally.

3. The St. Lawrence seaway authority in Ottawa, August 6, 1958. The St. Lawrence Seaway Development Corporation in Washington, August 6, 1958.

4, 5, 6 and 7. Section 17 of the St. Lawrence Seaway Authority Act includes provision for the establishment of tolls by agreement between Canada and the United States and, in the event of such agreement, tolls shall be charged by the authority in accordance with directions given by the governor in council. This subject is under consideration by the government.

PULPWOOD IMPORTS, PIGEON RIVER, ONT.

Question No. 12—**Mr. Fisher:**

1. Did any pulpwood cross into Canada from the United States at Pigeon river, Ontario, during 1958?
2. If so, who were the consigners, the consignees, what was the valuation of the total, what was the cordage of the total, and what person or company transported the wood over the border?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. Yes.

2. It is not the policy of the government to reveal figures concerning the private business of individual firms and it is also contrary to the secrecy provisions of the Statistics Act to reveal this information.

EXTERNAL AFFAIRS FOREIGN POSTINGS

Question No. 13—**Mr. Fisher:**

1. Were any employees of the department of External Affairs, other than foreign service officers, posted out of the country in 1958?

2. If so, how many, in what job classifications, and to what places?

3. How many employees, other than foreign service officers, were there in posts out of the country on January 1, 1959?

Answer by: **Hon. Sidney E. Smith (Secretary of State for External Affairs):**

1. Yes.

2. In 1958, 165 employees other than foreign service officers were posted out of the country. A list of the job classification and place of posting is appended.

3. 449.

Location and Job Classification of Employees of the Department of External Affairs Posted Out of the Country in 1958

Accra: 1 clerk 4 (secretarial), 1 stenographer 2.

Ankara: 2 security guards 1.

Athens: 1 clerk 3, 1 clerk 4 (secretarial), 1 stenographer 2, 2 security guards 1.

Beirut: 1 clerk 4.

Belgrade: 1 stenographer 2, 2 security guards 1.

Berne: 1 stenographer 2.

Bogota: 1 stenographer 2.

Bonn: 2 clerk 2, 2 stenographer 2, 1 technician 1.

Boston: 1 external affairs officer 2, 1 stenographer 2.

Brussels: 1 stenographer 2, 1 technician 1.

Buenos Aires: 1 clerk 2.

Cairo: 1 clerk 4 (secretarial), 2 teletypist 1B, 1 security guard 1.

Caracas: 1 stenographer 2.

Canberra: 1 stenographer 2.

Chicago: 1 external affairs officer 1.

Copenhagen: 1 stenographer 3.

Ciudad Trujillo: 1 stenographer 2.

Djakarta: 1 stenographer 2.

Dublin: 1 stenographer 3.

Geneva: 2 stenographer 2, 1 clerk 2.

The Hague: 1 teletypist 1B.

Hamburg: 1 external affairs officer 2.

Havana: 1 stenographer 2.

Karachi: 1 external affairs officer 3, 1 stenographer 2.

Kuala Lumpur: 1 external affairs officer 3, 1 clerk 4, 1 clerk 4 (secretarial), 1 stenographer 3.

Lisbon: 1 stenographer 3, 1 security guard 1.

London: 1 external affairs officer 1, 1 clerk 4, 1 clerk 4 (secretarial), 2 stenographer 3, 3 teletypist 2, 1 teletypist 1B, 1 technician 3, 1 technician 2.

Los Angeles: 1 external affairs officer 5, 1 external affairs officer 2, 1 stenographer 2.

Mexico City: 1 clerk 4.

Montevideo: 1 stenographer 2.

Moscow: 1 clerk 4, 1 clerk 2, 1 secretary to Executive.

New Delhi: 1 principal clerk, 1 clerk 4, 1 stenographer 2, 1 teletypist 2, 3 security guards 1, 1 technician 1.

New York (consulate general): 1 external affairs officer 3, 1 clerk 2, 2 stenographer 3, 1 stenographer 2, 1 confidential messenger.

New York (United Nations): 2 stenographer 2, 3 security guards 1.

Oslo: 1 stenographer 3.

Paris (embassy): 1 external affairs officer 4, 4 clerk 2, 1 clerk 4 (secretarial), 2 stenographer 2, 3 teletypist 1B, 1 security guard 1.

Paris (NAC): 1 external affairs officer 1, 1 clerk 2, 1 stenographer 3, 2 stenographer 2.

Port au Prince: 1 stenographer 3, 1 security guard 1.

Port of Spain: 1 clerk 2, 1 stenographer 2.

Prague: 1 stenographer 3.

Pretoria: 1 external affairs officer 6, 1 clerk 4 (secretarial), 1 stenographer 2.

Rio de Janeiro: 1 stenographer 2.

Rome: 1 principal clerk, 1 teletypist 1B.

San Francisco: 1 clerk 4, 1 stenographer 2.

Sao Paulo: 1 external affairs officer 2.

Santiago: 1 stenographer 2.

Stockholm: 1 stenographer 2.

Tel Aviv: 1 clerk 3.

Teheran: 1 principal clerk.

Tokyo: 1 external affairs officer 1, 2 clerk 4, 1 clerk 2, 2 stenographer 2, 1 teletypist 1B, 1 security guard 1.

Vienna: 1 clerk 3, 1 stenographer 2.

Warsaw: 1 principal clerk, 1 clerk 2, 1 stenographer 3, 1 stenographer 2.

Washington: 1 clerk 4, 1 clerk 3, 1 clerk 4 (secretarial), 2 stenographer 3, 3 stenographer 2, 1 teletypist 2, 1 teletypist 1B, 1 security guard 1.

Wellington: 1 stenographer 2, 1 teletypist 1B.

Hanoi: 1 stenographer 2.

Saigon: 1 external affairs officer 5, 2 principal clerk, 3 clerk 2, 1 stenographer 3, 3 stenographer 2.

Vientiane: 1 stenographer 2.

Phnom Penh: 1 clerk 2, 1 stenographer 2.

COLD STORAGE WAREHOUSE STATISTICS

Question No. 25—**Mr. Howard:**

1. What is the total number of cold storage warehouses in Canada, and what cubic space is available?

2. How many are used exclusively or in the main for (a) fish and fish products; (b) agricultural products; (c) general or variety of products?

3. What cubic space is available for (a) freezing; (b) cooling?

4. What was the percentage of occupancy of the space available for (a) fish and fish products; (b) agricultural products; (c) general or variety of products, for each of the months of 1958?

Answer by: **Hon. D. S. Harkness (Minister of Agriculture):**

1. 3,068 cold storage warehouses in Canada containing 142,696,294 cubic feet of refrigerated space.

2. (a) 249 warehouses storing in the main, fish and fish products, (b) 1,969 warehouses storing in the main, agricultural products, (c) 850 warehouses are classed as general, that is, storing all products.

3. (a) 61,292,705 cubic feet of space for storage of frozen commodities in bulk, (b) 85,705,302 cubic feet of space for storage of fresh produce in bulk at temperatures above freezing.

4. The dominion bureau of statistics do not require cold storage warehouses to report what percentage of the space is occupied. They do require, however, a statement of the quantities of certain goods in storage and this information is published in various forms, many of which are on a monthly basis. The Department of Agriculture receives voluntary confidential reports showing the percentage occupancy of warehouses which represent about one-third of the total available refrigerated space in Canada. These cold storages are located at various points throughout Canada and the information received indicates that cold storage occupancy on a national basis during 1958 ranged from 55 per cent to 88 per cent for "freezer" space and 48 per cent to 77 per cent for "cooler" space.

Note: Answers to 1, 2 and 3 are taken from "Directory of Cold Storage Warehouses in Canada", prepared by the Department of Agriculture and published in March 1958.

ST. LAWRENCE SEAWAY, TRAFFIC AND TOLLS

Question No. 26—**Mr. Macnaughton:**

1. When will the St. Lawrence seaway open officially for the passage of commercial vessels?
2. Will there be 27 feet depth of water from Montreal to Port Colborne at the opening of navigation for commercial ships?
3. When does the seaway authority intend issuing their final statement on tolls, particularly with reference to bulk cargos?
4. When does the seaway authority intend to issue their circulars in explanation of and in connection with the regulations?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1 and 2. See statement by Minister of Transport, House of Commons debates, January 20, 1959, page 78.

3. No statement is contemplated, pending international agreement and authorization of the tariff.

4. In the near future, after informal discussions with shipping interests and approval of the regulations by the governor in council.

KINBURN, ONT.—RAILWAY PROTECTIVE SIGNALS

Question No. 27—**Mr. Bell (Carleton):**

1. Did the board of transport commissioners make an order for the installation of protective signals at the Canadian National Railways level crossing (mileage 28.34) at the village of Kinburn? If so, on what date?
2. What deadline date was established for compliance with the order?
3. What was the reason for allowing such a period of time for compliance?
4. What is the general practice of the board of transport commissioners in establishing dates for compliance with its orders respecting installation of protective signals?
5. Have the protective signals at Kinburn been installed?
6. If so, on what date?
7. If not, when is it expected they will be installed?
8. Has the attention of the board been drawn to a further serious accident at this crossing which might have been avoided if the signals had been installed?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Yes, board order No. 95405 of August 28, 1958.

2. Six months from date of order referred to in (1).

3. Usual practice which permits securing of necessary materials to instal protection ordered.

4. Answered by (3).

5. Board is advised that installation will be completed and put into operation by the Canadian National Railways within next week or ten days.

6. Answered by (5).

7. Answered by (5).

8. The only accident occurring at this crossing and reported to the board since the issuing of board order No. 95405 of August 28, 1958 was a non-casualty accident on December 18, 1958.

HOUSE OF COMMONS

Wednesday, January 28, 1959

The house met at 2.30 p.m.

PRIVILEGE

MR. DIEFENBAKER—REFERENCE TO STATEMENT IN DEBATE ON JANUARY 27

Right Hon. J. G. Diefenbaker (Prime Minister): I rise on a question of privilege, Mr. Speaker, arising out of an answer I gave to the Leader of the Opposition as recorded on page 358 of *Hansard* for January 27, 1959, when he referred to the omission of the mayor of Ottawa and the mayor of Hull from the national capital commission. On that occasion I said, speaking from memory, as follows:

> In the Federal District Commission Act provision was specifically made that the mayor of Ottawa and the mayor of Hull should be members of the commission.

I now find that the statement I made was inadvertently incorrect. Under the act as it originally was, section 3, subsection 3, provision was made as follows:

> One member shall be appointed by the corporation of the city of Ottawa to hold office during pleasure—

Under subsection 4 of the same section we find this:

> One member shall be appointed by the corporation of the city of Hull to hold office during pleasure—

In view of the fact the mayors of the two cities had been members of the federal district commission, I associated that section with the fact they were members and thought it made provision for the mandatory appointment of the mayors, while in point of fact the appointment was made by the council of each of these cities. I thought I ought to point out my inadvertence of yesterday.

MR. STARR—REFERENCE TO STATEMENT IN DEBATE ON JANUARY 23

Hon. Michael Starr (Minister of Labour): I rise on a question of privilege which is related to yesterday's proceedings. The hon. member for Bonavista-Twillingate (Mr. Pickersgill) rose in his place and raised a question of privilege in connection with a statement I had made regarding the dominion bureau of statistics figures for unemployment in December, 1958. In *Hansard* I am recorded as using a figure of 509,000. The hon. member for Bonavista-Twillingate pointed out with some urgency that the figure should have been 597,000.

I did not rise yesterday because I wanted to be absolutely certain of my position. I have taken the trouble to check with the debates branch, Mr. Speaker, and in the original notes of the *Hansard* reporter I am recorded correctly as saying 590,000. The mistake was made in the transcription. The actual figure, Mr. Speaker, was 597,000. I admit that I was short 7,000, and I hope this will set the hon. member's mind at rest.

Mr. Pickersgill: I thank the hon. gentleman. I did not intend to do any injustice.

(Translation):

CANADIAN BROADCASTING CORPORATION

TAKING OF OATH OF OFFICE BY MEMBERS OF BOARD

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. Could he tell us whether anyone attended the meetings of the C.B.C. board of directors, as a director, as well as the meetings of the executive committee, as a member of that committee, without previously taking the oath of office as provided under section 22, paragraph 6 of the Broadcasting Act?

(Text):

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I have not the foggiest idea in the world as to what meetings the hon. member refers to. I have taken no part in meetings of the C.B.C. in any way, shape or form except that a month ago, when the C.B.C. directors met in Montreal, I met with them and thanked them for having accepted the responsibilities of the office. Other than that I have done nothing, and I would suggest that perhaps the hon. member should get his facts more in line before he makes these fiery and impassioned speeches such as the one he made yesterday afternoon.

Mr. Chevrier: Mr. Speaker, it is clear to me that the minister did not even listen to the translation of the question.

Mr. Nowlan: I listened to the translation.

Mr. Chevrier: If he had done so he would not have made the reply he did. The question was not addressed to him in his personal capacity. The question was addressed to him in his official capacity, as to whether or not a member of the board of administrators of the C.B.C. had taken part in the meetings that have been going on without having taken the oath of office in accordance with article 22, paragraph 6 of the Canadian Broadcasting Act. Can the minister answer that question or can he not? It is a perfectly logical question, to which the house is entitled to a reply.

Mr. Nowlan: I admit that, Mr. Speaker, and I apologize to the hon. member. I thought he was referring to me personally. When he refers to the board of administrators, may I say that I do not know just what term he is using. Perhaps he will look up the act, see what the definition should be and then ask me another question.

Mr. Chevrier: May I ask the minister whether any member of the board of broadcast governors is in the position that I defined in the original question.

Mr. Nowlan: I have not looked over their shoulders or anything of that kind, Mr. Speaker, but as far as I know there is no member of the board of broadcast governors who has not taken the oath of office pursuant to the form which is set forth.

Mr. Chevrier: Or the board of governors?

Mr. Nowlan: The board of broadcast governors.

Mr. Pickersgill: Or the board of directors.

Mr. Nowlan: Or the board of directors?

Mr. Chevrier: Yes.

Mr. Nowlan: As far as I know there is no member of the board of directors who has not taken the oath. However, I was not present. I was present when the board of broadcast governors took the oath, because it was done right down the corridor here. I was not present when the board of directors took their oath. However, according to my information I believe, and have every reason to do so, that every member of the board of directors took the oath in accordance with the act. If they did not do so it is something of which I had no knowledge whatsoever until it was drawn to my attention this minute.

Mr. Chevrier: Will the minister inquire?

Mr. Nowlan: I certainly will inquire.

[Mr. Nowlan.]

(Translation):

[*Later:*]

INQUIRY AS TO MEETINGS OF BOARD OF DIRECTORS

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, could I direct a question to the Minister of National Revenue? Has the C.B.C. board of governors held a general meeting since the beginning of the dispute between the C.B.C. and its producers in Montreal?

(Text):

Hon. George C. Nowlan (Minister of National Revenue): I am sorry, but I did not catch the first part of that question.

(Translation):

Mr. Denis: Has the C.B.C. board of governnors held a special general meeting since the beginning of the dispute between the C.B.C. and its producers in Montreal?

(Text):

Mr. Nowlan: Mr. Speaker, my hon. friend is referring to the board of governors. I presume he means the board of directors.

Mr. Denis: Yes, the board of directors.

Mr. Nowlan: The board of directors as such have not met, so I am told—

Mr. Denis: Since the strike began?

Mr. Nowlan: Since the strike began. There is a meeting of the board of directors which was arranged some time ago for Toronto. I have forgotten the date; it is either Monday or Tuesday of next week. A suggestion was made to the executive committee, which has been meeting on various occasions, that the full board should be called together, but it was ascertained that for some of the members of the board it would be an impossibility to attend because of other commitments. Hence no meeting of the full board was called. But the arrangement which was made at the last meeting in Montreal about a month or five weeks ago, or something like that, was for a meeting early in February. I understand that meeting is going to start on either Monday or Tuesday of the coming week.

(Translation):

[*Later:*]

MEETING OF MEMBERS OF CABINET WITH PRODUCERS DELEGATION

On the orders of the day:

Mr. Guy Rouleau (Dollard): Mr. Speaker, I should like to direct a question to the Solicitor General of Canada. Could the minister tell the house if he met yesterday with members of the C.B.C. employees' delegation from Montreal to discuss the dispute between the producers and the corporation?

If so, could he report to the house on that meeting and tell us whether he intends to urge his colleague, the Minister of Labour, to intervene in the dispute?

Hon. Leon Balcer (Solicitor General): Mr. Speaker, yesterday, together with other ministers and members of the house I met with certain representatives or members of the delegation from Montreal. Our talks were unofficial and I am not in a position to report to the house about them.

Mr. Denis: I don't believe the Solicitor General is answering the question put to him by the member for Dollard (Mr. Rouleau). He was asked if he personally made representations to his colleagues as to the legality or illegality of that strike.

An hon. Member: That is none of your business.

Some hon. Members: Order!

(Text):

Mr. Chevrier: Mr. Speaker, I rise on a point of order. From the other side of the house has come an interjection to a question raised by the hon. member for St. Denis, "It is none of your business". This is a serious matter. It is not only the business of the opposition but the business of the house and the business of the government, and I protest very strenuously against that kind of intervention.

(Translation):

Mr. Denis: In claiming this is no business of mine, you are not minding your own business.

(Text):

Mr. Speaker: Order. Is the hon. member rising to ask a question?

Mr. Denis: Yes, I am going to ask the hon. member a question, but I think according to the rules I have no right to ask a question of a member of parliament when he intervenes.

Mr. Speaker: The hon. gentleman is quite right. There is no practice of asking questions of private members unless the question relates to some matters before the house over which they have custody or which are in their charge.

(Translation):

[*Later:*]

On the orders of the day:

Mr. Rouleau: I should like to direct to the hon. Solicitor General of Canada a supplementary question arising out of his reply concerning the delegation which came to Ottawa yesterday. Is it the hon. Solicitor General's intention to intervene with the Minister of Labour and to make recommendations for the settlement of this dispute?

Mr. Balcer: Mr. Speaker, yesterday the Minister of Labour and I met the delegation of C.B.C. producers. There have been other meetings at which we all worked towards settlement of the strike. I believe that the efforts made by the government and by members sitting on this side of the house will do more to bring about a settlement of the strike than all the questions and speeches of my hon. friends opposite.

[*Later:*]

On the orders of the day:

Mr. Raymond Eudes (Hochelaga): Mr. Speaker, I should like to direct a question to the hon. Minister of Labour. Could he tell the house whether, since the beginning of the dispute between the C.B.C. and its producers, he has met with C.B.C. official representatives to discuss the current dispute?

If so, how many such meetings were held, where and on what dates?

(Text):

Hon. Michael Starr (Minister of Labour): Mr. Speaker, if I accurately understood the hon. member's question he wishes to know if I have met with the Canadian Broadcasting Corporation in regard to this dispute. I have not met with the C.B.C. in regard to this dispute to talk over the possibility of a settlement.

INQUIRY AS TO INVESTIGATION INTO ALLEGED ACTS OF VIOLENCE

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. In view of the minister's remark as contained in *Hansard* of yesterday, referring to violence on the picket lines in the C.B.C. strike in Montreal, and in view of the very peaceful demonstration of approximately 1,500 strikers and sympathizers in Ottawa yesterday, can the minister inform the house whether a thorough investigation has been made to ensure that any alleged violence was in fact caused by picketers and not by people known as les agents provocateurs?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I received notice of this question a few moments ago. There has been no alleged violence; there has been violence. Let us clear that up at the beginning.

Now, in so far as an investigation as to whether they are members of the picketers or les agents provocateurs is concerned, I am told by the police that it is very difficult to discover them because they immediately disappear after they have committed the acts of violence. If it were easy to determine they would be in the police court themselves rather than the subject of discussion and questions such as we have now. One might raise the question, too, if one were in a questioning mood, as to who—if they were agents provocateurs—employed them as such.

(Translation):

TRADE

POTATOES—INQUIRY AS TO IMPORTS FROM U.S.

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I have a question for the hon. Minister of Finance. Is the hon. Minister of Finance considering the possibility of imposing permanent entry rights on potato imports from the United States?

Hon. Donald M. Fleming: I thank my hon. friend for having given me notice of his question. We are now considering, together with the United States representatives, some recommendations made by the tariff board concerning fruits and vegetables, including potatoes.

(Text):

EXTERNAL AFFAIRS

UNITED STATES—STATEMENT ON REVIVAL OF HYDE PARK AGREEMENT AND COMBINED PRODUCTION BOARD

On the orders of the day:

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, on January 22, 1959 the Leader of the Opposition asked the following question:

> I should like to ask the Secretary of State for External Affairs whether any representations have been made to the United States government concerning the revival of the Hyde park agreement and particularly the combined defence production board which operated so successfully under that agreement during the war.

My answer is that there have been no representations made to the United States government concerning the revival of the Hyde park declaration of April 20, 1941, and the reason for the lack of representations is that representations were not required. The Leader of the Opposition will recall full well, I am sure, that there was no terminal date to the declaration, the text of which, I set forth for the record, may be found in the Canada treaty series, 1941, No. 14.

Provision was made, however, for the continuance of the principles of the Hyde park declaration into the post-war period in an exchange of notes with the United States government in May, 1945. The text of this exchange is contained in the same series, 1948, No. 1. The purposes of the exchange were explained to the house on February 13, 1948 by Mr. St. Laurent, who was then secretary of state for external affairs.

Again in October, 1950 provision was made for the further extension of the principles of the Hyde park declaration in the statement of principles for economic co-operation. The exchange of relevant correspondence appears in Canada treaty series, 1950, No. 15.

Current discussions between representatives of the two governments on the question of sharing of defence production tasks have of course been carried out against the background and on the basis of these and related intergovernmental agreements.

The board to which I presume the Leader of the Opposition made reference must be the Canadian-United States joint war production committee which was established for specific purposes in November 1941 and which was dissolved on December 31, 1945. Representations have not been made to the United States government concerning the revival of this particular board. However, new machinery of consultation with the United States government on the question of defence production sharing has been established and is working to the satisfaction of both governments.

I understand that the Minister of Defence Production plans to make, in the near future, a comprehensive statement on the question of the sharing of defence production tasks in North America, which will provide further details on this subject which may be of interest to the house.

COAL

NOVA SCOTIA—INQUIRY AS TO RECOMMENDATIONS TO PREVENT LAY-OFFS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Minister of Mines and Technical Surveys. In view of the fact that 4,000 coal miners in Nova Scotia are faced with a lay-off on Sunday next, four days from now, can the minister tell the house whether the cabinet has dealt with any recommendations from the dominion coal board to increase subventions on coal?

(Translation):

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, I must say to the hon. member for Gloucester (Mr. Robichaud) that last week I instructed the president of the dominion coal board to proceed to Halifax this week and to discuss this matter of coal with the premier of Nova Scotia and the mining companies. As soon as he reports on the results of his trip I shall review the matter and as soon as a decision is reached by the cabinet or by the government, I will so advise the house.

(Text):

Mr. Robichaud: In view of the statement made by the minister that he has asked for definite recommendations from the chairman of the dominion coal board, will the minister make inquiries to determine whether A. V. Roe made specific proposals to the dominion coal board respecting methods to prevent such a lay-off, and if such proposals were made will the minister tell us on what date and also if the proposals have been dealt with by the coal board?

(Translation):

Mr. Comtois: Mr. Speaker, I shall inquire into the matter as suggested by the hon. member.

(Text):

NOVA SCOTIA—ATTENDANCE OF CABINET MINISTER AT CONFERENCE

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): May I direct a question to the Prime Minister. Will the Prime Minister explain why no member of the cabinet is now in Nova Scotia attending the conference being held in Halifax today between representatives of the provincial government, labour and management on the coal situation?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, as the cabinet minister from Nova Scotia may I say in the first place that no cabinet minister was invited to be present at this conference, convened at the request of Dosco and held in accordance with the constitutional responsibility of the provincial department of mines, and concerning which the federal government has had no notice whatsoever except a personal communication from the premier to myself of the fact that such a conference was taking place.

(Translation):

HEALTH AND WELFARE

QUEBEC CITY—INQUIRY AS TO DISPOSITION OF HOSPITAL STAFF

On the orders of the day:

Mr. J. E. Bissonnette (Quebec West): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare (Mr. Monteith).

Following the statement he made to the house yesterday, in reply to the hon. member for Levis, reference was made to discussions being under way regarding the possibility that the federal government may transfer the administration of the Parc Savard hospital, at Quebec West, to the provincial government or to some other agency. Would the minister be prepared to state that efforts are being made at this time to guarantee continuous employment to federal employees of this hospital?

(Text):

Hon. J. W. Monteith (Minister of National Health and Welfare): I should like to thank the hon. member for having given me notice of his intention to ask this question. In reply I would say that the well-being of the present hospital staff is one of my department's main concerns in all negotiations. I can assure the hon. member that in the event of any changes every effort will be made to secure alternate employment and otherwise prevent inconvenience as far as our employees are concerned. If any changes do take place in the administration of Parc Savard I am anxious that they be effected without economic dislocation to the individuals concerned as well as to the community as a whole.

Mr. Maurice Bourget (Levis): Does the Department of National Health and Welfare propose to declare the hospital surplus so it can be transferred to Crown Assets Disposal Corporation and put up for sale?

Mr. Monteith (Perth): No decision has been made yet with regard to the hospital.

PATENT ACT

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Secretary of State arising out of the extended delay in the completion of the inquiry of the Ilsley royal commission on patents. Can the minister say when the inquiry will be completed and when the report will be made public?

Hon. Henri Courtemanche (Secretary of State): I wish to thank the hon. member for Assiniboia for giving me notice of this question. The answer to the first question is no, and the answer to the second is that according to the information I have, I can now say that it is hoped that the Ilsley report on patents will be submitted to the government this spring.

(Translation):

FINANCE

PRESTON, ONT.—REPORTED REMOVAL OF FACTORY TO JAMAICA

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I wish to direct a question to the Minister of Finance (Mr. Fleming). I apologize for not giving him notice, but I know the minister will be able to reply immediately.

Could the minister indicate whether the George Pattinson firm, of Preston, Ontario, has carried out its plan to relocate its wool factory in Jamaica? Could he also indicate whether, as a result, 250 persons are now unemployed?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, this firm is known to me, as we have had some correspondence from time to time on this matter, and I know the firm was planning to move to the West Indies. I believe it has moved, but I am not yet sure.

(Text):

UNEMPLOYMENT ASSISTANCE

QUEBEC—INQUIRY AS TO FEDERAL-PROVINCIAL AGREEMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Labour or the appropriate minister. Has the federal government entered into an agreement with the government of the province of Quebec pursuant to the provisions of the Unemployment Assistance Act?

Hon. J. W. Monteith (Minister of National Health and Welfare): No, Mr. Speaker.

HIGHWAYS

ONTARIO—INQUIRY AS TO FEDERAL-PROVINCIAL AGREEMENT

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of Northern Affairs and National Resources. It arises from the fact that the hon. member for Kenora-Rainy River and myself have questions on the order paper relating to the Ontario-federal agreement involving the roads program. There seems to have been a premature announcement of this program by the provincial authorities, and I should like the minister to confirm that the announcement is premature and to ask him if he can give us the details of the agreement.

[Mr. Courtemanche.]

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I made it very clear last year that the general understanding we have is that there will be joint announcements by the provinces concerned and the federal government when programs are agreed upon. At the present time the final terms of the agreement between the province of Ontario and the federal government are still under negotiation, and until they are completed I do not feel free to make any announcement.

Mr. Fisher: Has the minister seen an announcement by the Ontario government on this matter?

Mr. Hamilton (Qu'Appelle): Yes, Mr. Speaker.

Mr. Pickersgill: Have agreements been signed with any of the provinces up to the present?

Mr. Hamilton (Qu'Appelle): Yes.

Mr. McIlraith: What provinces?

DOMINION-PROVINCIAL CONFERENCE

REQUEST FOR RECONVENING TO DISCUSS FISCAL MATTERS

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask the Minister of Labour if as a result of the letter sent to the Prime Minister last week by the premier of Saskatchewan asking for the reconvening of the dominion-provincial conference, on the ground among others that this would be one way of dealing with the question of unemployment, he is in a position to say whether or not the government has formulated a policy that provides agreement with the proposal made by the premier of Saskatchewan.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I appreciate the knowledge the hon. gentleman has of letters from the premier.

Mr. Martin (Essex East): It was in the papers.

Mr. Diefenbaker: Yes, I appreciate that.

Mr. Pearson: We read the papers.

Mr. Diefenbaker: When and if a decision is made it will be announced.

Some hon. Members: Oh, oh.

COMMONWEALTH RELATIONS

WEST INDIES FEDERATION—INQUIRY AS TO GIFT OF SECOND SHIP

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Has the government decided to give a second ship to the West Indies Federation, and is it a fact that the plans and specifications for the first ship are not yet ready?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, I would refer that question to the Minister of Finance.

Mr. Chevrier: My apologies.

Mr. Caron: The Prime Minister (Mr. Diefenbaker) can answer everything.

Mr. Chevrier: Mr. Speaker, I should like to have an answer to my question if it is possible.

Mr. Bell (Saint John-Albert): Order paper.

Mr. Chevrier: No.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I believe that—

Mr. Pickersgill: This is the Minister of Finance? What confusion.

Mr. Churchill: Mr. Speaker, the hon. member for Laurier has apparently forgotten the distribution of responsibilities on this side of the house. The administrative arrangements for this matter come under the Department of Trade and Commerce. I shall accept this question as notice and give an answer tomorrow.

Mr. Chevrier: Mr. Speaker, I feel I owe the house an explanation. I asked a similar question last year and the answer was given by the Secretary of State for External Affairs. Therefore I directed the question to him.

Mr. Pickersgill: More confusion.

AIR TRANSPORT

NORTHERN ONTARIO—COMPULSORY FILING OF FLIGHT PLANS

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the Minister of Transport whether, in the face of many mishaps involving lost aircraft in northern Ontario, his department is contemplating making it compulsory to file flight plans for all aircraft as to route, destination and estimated time of arrival.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I wish to thank the hon. member for having given me notice of his intention to ask this question. I received a copy of it just as I came into the house. It is not compulsory to file flight plans at the present time because it has been found almost impossible to enforce such compulsion. However, all pilots are told how important it is to file flight plans in the interests of their own safety, and everything possible is done to persuade them to do so.

Mr. Chevrier: Does the minister always file a flight plan?

Mr. Pearson: A correct one?

Mr. McIlraith: Winnipeg to Quebec, for instance?

Mr. Hees: Yes, I do, Mr. Speaker, especially when going to Quebec.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, January 27, consideration of the motion of Mr. W. H. Jorgenson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Pearson.

Mr. Percy Vivian (Durham): Mr. Speaker, last evening just before ten o'clock I made reference to the commonwealth trade and economic conference held in Montreal last September. To provide continuity with my remarks today and also because of the importance of the conference itself I wish to repeat in summary some of the observations I made last evening.

On the basis of fact the Montreal conference was unique, and I use that term "unique" in the sense of the definition in Murray's English dictionary where the word is defined as meaning not only alone of its kind, but more particularly in this case as meaning "standing alone in comparison with others". This conference was unique in a number of ways, of which I shall cite three.

First of all the representation from the commonwealth included all the older members plus many new ones from Asia and Africa with representation to, and therefore through, the United Kingdom; of Nigeria, the West Indies, Kenya, Tanganyika, Uganda, Sierra Leone and Hong Kong, to such an extent that the new members outnumbered the old.

It was also unique in that the agenda was not limited. It included the widest possible range of subjects in keeping with an expanding commonwealth in a world with a growing list of new states. Furthermore it was unique

in regard to the wide area of general agreement which was reached in these difficult times.

As to the results of this conference, I believe they are also unique. This opinion is based on occurrences immediately after the conference, last autumn, at the general assembly of the United Nations, which if they are true indicators, as I believe they are, foretell a new spirit and a new desire to deal with the problems of international trade in a way more beneficial than in the past to the world community as a whole. Again I make specific reference to the fact that the United States delegation to the United Nations general assembly committee on economic and financial matters accepted and supported the language of a resolution on international commodity trade which was subsequently adopted, the wording of which was taken directly from the commonwealth report. This is the farthest the United States has ever been prepared to go in such matters. I maintain that the results of the Montreal conference are already unique, but of course continuity of this kind must be maintained.

I must point out that actions taken at the United Nations general assembly have their limitations, and no one in this house knows about those limitations better than the present Leader of the Opposition. The 82 member states that comprise the general assembly of the United Nations cannot take such action as will bind all members of sovereign states to implement the majority opinion. They can only make recommendations. Action of this sort in the United Nations can only be preliminary to the action of each sovereign state; but it can create, and in this case I trust it has created by overwhelming agreement a favourable climate in which similar action will be taken by those sovereign states in particular agreements. This is what is meant by the successful cultivation of a garden.

I wish to point out other words in the gracious speech from the throne which show the present government's intention regarding Canada's position in world affairs, in respect of economic assistance to underdeveloped countries and expansion of the resources of the international bank and the international monetary fund. Economic assistance to less developed countries may be provided in a variety of ways. Time will not permit me to deal extensively with this subject, and it would be better dealt with on the estimates of the Department of External Affairs. I should like, however, to indicate the nature and purpose of Canada's participation.

Our participation in economic assistance has been mainly through the Colombo plan and the United Nations. The Colombo plan, as you will recall, is a matter of country to country assistance, and in this instance much of the money provided by the donor country may be spent in that donor country in terms of material supplies or for the salaries of technical assistants, whereas through the United Nations our aid and the aid of other countries is given on a multilateral basis. Funds are donated to projects in which all the donor countries share without any direct country to country relationship.

The question might be asked if the financial assistance provided through the United Nations and Colombo plan could be classed as a give-away program. In the opinion of many experienced persons, an opinion in which I wish to join, the answer is emphatically no, because the well-being of each of the countries of the world, now so interrelated with the well-being of all, is a vital matter upon which satisfactory progress must be made because it is really necessary for the peace of our time.

There are now such vast areas of the world emerging into nationhood, many with strong anti-colonial feelings, that their progress concerns all of us. The rate of growth from dependent territory to sovereign state is very rapid. This, of course, is accompanied by local pressures from domestic, economic and social demands. In many areas the situation is one which can best be described in the words of the Prime Minister of India, Mr. Nehru, as the revolution of rising expectation. This is an exhilarating and possibly dangerous time, Mr. Speaker.

Canada is looked to as a friendly country, without any aspirations to dominate the development of others, so our reputation is exceedingly high. In part this may be due to our relative generosity in helping others less fortunate than ourselves, but it is also due in large part to the regard for Canada in our own evolutionary progress from colony to statehood. Under these circumstances Canada's help is needed by the less developed countries, these new emerging states. It is not only needed, Mr. Speaker, but it must be provided to the best of our ability. This is not a matter merely of economic assistance; it is also a question, I think of equal importance, of our understanding of the problems of the less developed countries. In this matter Canada is in a position to help.

I might point out here, sir, that while we might be willing to give help it is something which must be requested. I refer again to the feelings of the people of many of these territories now emerging into statehood. They wish to do those things that they consider to be necessary for their own well-being and to increase their own standard of living by themselves, in so far as possible.

Our watch word in this connection should be, not only should we do unto others as we would have them do unto us, but we should do unto others as they would wish us to do for them. The objective of all this is to stand by and be ready to help so the less developed countries may achieve the fullest possible measure of their potential as responsible states in the world.

I welcome again the words in the gracious speech that apply to the underdeveloped countries of Asia and Africa, and particularly at this time Africa where new states will soon face the heavy responsibilities that come with independence. Our aid, in all its forms, is dependent upon our own stability and our own continued economic progress. Canada, like the rest of the world, has had a bit of tough going recently. In this connection, however, we are more fortunate than many others. We are fortunate in a variety of ways, but at this particular time we are exceedingly fortunate in having a government in power that recognizes Canada's problems, that acts on those problems with expert advice, and is prepared to look beyond our own now improving economic situation, to the action we will be called upon to take in world affairs.

It is therefore my privilege, Mr. Speaker, to support wholeheartedly the mover and seconder of the address in reply to the speech from the throne.

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, may I first of all offer my congratulations to the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne. I do that not out of form or habit. I really enjoyed their remarks, though it was necessary for me to read the translation of one speech. I feel that they have both done themselves credit and have brought distinction to their respective constituencies.

Before I go on to make some remarks concerning the speech from the throne I should like to make a few remarks concerning my own riding. First of all, on behalf of my people I must say that we are extremely pleased that in June Her Majesty Queen Elizabeth and Prince Philip will visit my home city. Since in the cross-country tour the Queen, of course, will not have an opportunity to visit every place in any one constituency, and there will be an opportunity for her to see only a small part of the constituency, I would hope that the time available to Her Majesty would allow her to see the beautiful Codroy valley in my constituency, to be able to ride up the Humber river or to view, I am sure with gratification, the scenery that can be observed at Bonne Bay on the west coast of Newfoundland. Time, of course, is not such that she will be able to do all this; but whatever time she will be able to spend on the west coast of Newfoundland will be extremely pleasing to my people, and I know they will afford her that hospitality which is not only characteristic of Newfoundlanders but also that which befits the visit of our Queen.

My home city is situated on Bay of Islands, 30 miles inland. It is a new city with a population of 25,000. Here is situated the largest integrated newsprint mill in the world, with the possible exception of Powell river in British Columbia. The city of Corner Brook is a large distribution centre, with the result that during all times in the year a great deal of tonnage is coming into the harbour and a great deal of tonnage is going out. Last year I had the opportunity of placing on record the tonnages for a number of years past. I am not going to do that now. However, I contend that the port of Corner Brook is of some considerable importance.

In the winter time, of course, we experience the difficulty of having our port closed for two or three months by ice. Again, as I have done on previous occasions, I make an appeal to the Minister of Transport that in making his plans for icebreaking in the lower St. Lawrence and in the gulf, he include the port of Corner Brook. Representations have been made to the minister by the labour unions in the area, the chamber of commerce and other interested bodies. The ideal situation would be if an icebreaker could be placed there all winter. If it is not possible at the moment for that to be done, I think the minister should take into consideration the need for icebreaking facilities in the port and that he should distribute, as far as it is possible to do so, the icebreakers so that some service can be given to this particular area.

There is another point I should like to mention, Mr. Speaker, and bring to the attention of the Postmaster General. He is well aware of the fact that along the coast of Newfoundland are numerous small post offices. These people are obliged to provide their own accommodation. They are obliged to provide their heat and the janitor service for the building which is rented. In nearly every case in these small post offices the remuneration is not sufficient to make it worth while for anybody to discharge these services to the community. As I go around my riding I find many of these postmasters and postmistresses who are complaining about the amount of money they receive for services rendered.

I should like to recommend to my hon. friend that when he is reviewing the position with regard to these small post offices, some

upward revision be made in the remuneration which these people are receiving, if that action is at all possible. I fear that if this is not done we are at some time going to arrive at the point where these people are going to feel that the service they are rendering is no longer being compensated for, and they will not be willing to continue to render that service which is extremely important to these small places along the coast of Newfoundland.

On an earlier occasion I made some reference to the telegraph facilities along the west coast of Newfoundland. I now bring the matter to the attention of the Minister of Transport again. Some years ago—30 years ago, to be exact—there was a satisfactory telegraph service down the north coast or the northwest coast of Newfoundland. Over the years part of this service, or at least part of the facilities for the service, has been taken away and has not been replaced. I recognize the fact that, as far as Canadian National Telegraphs are concerned, their interest is in receiving some revenue for the outlay they make. I agree that this is probably an area in which they will not receive any great revenue for the expenditure they will be obliged to make. But somewhere between revenue that is worth while and no revenue at all there surely must come into the picture the question of service.

These people at the present time are receiving a telegraph service which is surely not satisfactory in this day and age. Last year I recommended to the Minister of Transport that if Canadian National Telegraphs were not able to look after this area on a business basis, it might be taken over by the Department of Transport and operated as a service. But whatever the solution to the problem may be, Mr. Speaker, I believe that some serious consideration needs to be given to this problem so the people who live in these outlying areas will at least have the benefit of a first class telegraph service.

On that coast there are some hospitals. They are widely spaced. In emergencies it is necessary to contact the doctor at the hospital or a nurse along the coast. Unless the facilities are provided these people feel that they are not receiving the health service which can be provided for them. I would therefore again recommend to the minister that some serious consideration be given to this urgent problem.

I must apologize to the house for raising one more point again, but I fear that I shall be obliged to do so. Last year during the discussion of the estimates of the Canadian Broadcasting Corporation I referred to radio station CBY at Corner Brook. This is the only C.B.C. radio station on the west coast of Newfoundland. Many persons depend upon this station for news and other bits of information which are important to a people who live along the coast, long distances from any large centre.

That radio station is operating on a frequency of 790 kilocycles. Some time ago another station in Newcastle, New Brunswick, was opened and operated on the same frequency. These two stations interfere with one another to such an extent that to the north of Corner Brook where the station is situated and to the south of Corner Brook people are not able to receive the C.B.C. station at Corner Brook. What the remedy is I do not know. The remedy may be a change in the frequency; it may be a change in the ground pattern, or a change in the power. That matter is, of course, one to be dealt with by a radio engineer.

However, I would suggest that this is a serious problem to the people concerned. Again I appeal to the Minister of National Revenue, who speaks for the C.B.C. in this house, to make some effort to have this situation remedied so these people will be able to enjoy the benefits of radio at a time when a large percentage of the people in this country are enjoying the benefits of television.

We have no C.B.C. television in Newfoundland as such. There is a private station in St. John's, CJON, which I believe is well run and gives excellent television coverage. On the west coast of Newfoundland at the United States air force base at Stephenville there is a television station which is run jointly by the C.B.C. and the United States government but there is no C.B.C. television in Newfoundland as such. They are now building a television station at Corner Brook, a city with a population of 25,000 and with a population in the area which could be covered of nearly 50,000. It has come to my attention that the station which is being built in Corner Brook will not be sufficiently powerful to cover the nearby town of Deer Lake with 7,000 people, only 30 miles away. I would hope that this statement is not true. I appeal to the Minister of National Revenue (Mr. Nowlan) to see that the power of the station being built at Corner Brook is sufficiently great to be able to give television coverage to the people within the city, to the people within the Bay of Islands and to the people who live in the town of Deer Lake.

I know that the people north of there in Bonne Bay will not be able to receive the station. Maybe at some time they will be able to receive the services of a new station built to provide service in that particular area.

I listened with care to and I have since read, the speech from the throne. I suppose most speeches from the throne are important for what they mention at some length. They are important, too, for the things they just barely mention and they are sometimes important for the things which are omitted. This particular speech from the throne may give us some idea of what the government's policy is for the present session but it does, in my opinion, give very scant attention to some of the problems which face us as a people at this time.

During the debate which we have had here on the speech from the throne I have been a little interested in the attitude of the government toward criticism which has been directed at them. They have taken the attitude that it is the responsibility of the opposition to criticize and to offer alternative suggestions. That, of course, is quite true, but both of these things imply that in the first place there must be something to criticize, and in the second place there must be a policy to which an alternative can be offered. It does seem to me that in many of the operations of the government there are criticisms which can be made. When members of the government say, "What did you do?" I feel that that interjection has long been worn out. The government has now been in power long enough to make its own policy. It is going to have to make its own decisions and it is going to have to stand or fall on those decisions. That is the price of power, Mr. Speaker.

I do not think the government and the government members are able to go on forgetting the fact that they must now be responsible for their own policies and they must be able to support them. The time is not too far away when we are going to be out of the post-election years and into the pre-election years when the policy of the government is going to have to be defended. I feel that no party will ever gain as much support from criticizing the opposition now as it did in the last election. Therefore, whatever policies are presented by the government now must be defended within the short space of two, three or four years. Therefore I do not quite understand the attitude which the government takes when it talks about the criticism which has been hurled at them. However, maybe the government feels that it can defend its own policies better by answering those criticisms and that, of course, is their decision.

I refer, Mr. Speaker, to the very serious problem of unemployment. Maybe there is no part of Canada where unemployment is such a serious problem as it is in the province from which I come. The year 1958 was not a good one in Newfoundland. The codfish in the sea did not pay us the benefit of very many visits. Our fishermen have not been able to catch the amount of fish that would give them a normal income for the year. The fall fisheries, particularly the herring fishery in Port au Port bay, have been a complete failure. We have not had nearly as much work in the paper industry as we have had in other years. There have been reductions in the actual operation of the mill itself as well as in the lumbering industry, and at the moment we are faced with some very serious labour problems. All in all it has been a very bad year for Newfoundland.

I concur wholeheartedly in the action taken by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) when last fall he wrote the Prime Minister (Mr. Diefenbaker) and asked that something be done in this regard. It is all very well to talk about the number of people who are unemployed, the number of people who are looking for jobs and the number of people who are receiving unemployment insurance benefits, but I think that maybe the one statistic that will point up the seriousness of this problem in Newfoundland is the fact that today there are nearly 42,000 people in a population of 420,000, 10 per cent, receiving relief from the provincial government, apart altogether from those who have no jobs and are receiving unemployment insurance. Forty-two thousand out of a population of 420,000, 10 per cent, are now on provincial government relief, and I think that one figure alone is sufficient to point up the seriousness of this situation in the province from which I come.

It is indeed true that in some places the winter works program has given some employment to many people. I still feel that the winter works program which will provide work for 15,000, 20,000 or 25,000 people is still not sufficient to be able to reduce substantially the large number of people who are out of work in this country. There are places in Newfoundland, for instance, where a winter works program can be instituted and where a good deal of winter work can be carried on. There are other places where this cannot be done, and I think that in places where such a program cannot be carried out the solution of the whole problem is to make sure that whatever federal works —and I include provincial works as well— whatever government works are going to be carried on in the following year should be prepared for in such a way that as soon as the spring comes these jobs can get under way and be started in March, April or May rather than in June, July or August.

I repeat that in the places which are not likely to be serviced by any large amount

of winter work the thing to do is to make sure that whatever work is to be done in the spring will be started early so that those people who need employment will be able to get it at the earliest possible time.

There is, of course, the twin problem of inflation. The Prime Minister (Mr. Diefenbaker), in his reply to the Leader of the Opposition (Mr. Pearson), said, "Well, we have always had inflation", and that, of course, is quite true. But he might have gone on to say that the world has had it for the last 4,000 years. But during that time there are very few if any examples of countries which have allowed inflation to run uncontrolled, which have been able to come out of this problem without financial chaos. I think we have always had inflation. We have it now and I think we will have it in the future. I do not blame the government for inflation, but surely we are going to have to blame the government if they should allow it to run uncontrolled. It will do this nation of Canada a great deal of harm if the proper controls are not instituted at the appropriate time and early enough to be able to have their effect during the coming year.

In other countries, or in some other countries at least, where they are not bound by the terms of a constitution as we are, and are not subject to the secrecy of a budget, they are able to introduce measures to control inflation at a very early date. We are not in that fortunate position, and I suggest to the Minister of Finance (Mr. Fleming) that whatever measures he has in mind for the control of inflation should be stated clearly in the budget, and that the budget should be presented at the earliest possible date.

One thing I did notice in the speech from the throne which is very important to the people of Newfoundland was the item concerning freight rates. We live at the end of the line, and living at the end of the line we have the long haul. On the long haul the people at the end must pay the highest freight rates. During the last ten years we have seen almost as many increases in freight rates and these increases have placed on the people of Newfoundland a great burden. We live in a province where nearly everything we produce has to be shipped out of the province and where nearly everything we use has to be brought in, with the result that freight rates play a very important part in our lives. We do not have the advantage, as some other provinces do, of a network of roads where much trucking is carried on. Our transportation of goods and commodities is carried on mostly either by C.N.R. boats or by C.N.R. trains, and when there is an increase in freight rates it places an added burden on people who live in a province such as Newfoundland or in provinces in the west of Canada. I was pleased to note that some consideration was being given to this problem. I do not know what conclusion the Prime Minister will reach, but I hope it will be such as to alleviate some of the ills which have their source in the continuing increase in the cost of handling and shipping freight.

I referred earlier to the fisheries of Newfoundland. Of course, the failure of the fisheries is not by any means the fault of the government. I must be fair and admit that the fact that the codfish did not come to Newfoundland is not the government's fault. But I do wish to say that if the fishery in Newfoundland is to be prosecuted profitably in the years that lie ahead the government must provide for the fishermen the things they are not able to provide for themselves. The fishermen are not able to provide for themselves the many marine works that are needed along the coast.

The Minister of Fisheries (Mr. MacLean) has made some progress in regard to bait depots. There are only a very few of these depots in existence at the present time. How they will work out we have yet to ascertain, but I want to tell the minister now that we are going to need many more of these installations along the coast if they are to give to the fishermen the service which will allow them to prosecute their occupation profitably. I believe that the fisheries of Newfoundland can be of continuing importance to Newfoundland and to Canada, but this is only true provided that those things needed for the successful prosecution of the industry are provided for these men who cannot provide them for themselves.

I was interested, too, in the reference in the speech from the throne to the trans-Canada highway. I do not at this time intend to place on record again comparative figures as to the cost of building a trans-Canada highway in Newfoundland and elsewhere. I do not think that to compare cost per mile of the trans-Canada highway is the proper way to make a cost comparison when one is dealing with people and the taxes which they pay. I think the proper way to compare the cost is to compute it on the basis of numbers of people. Last year I placed on record the number of miles of the trans-Canada highway which would have to be built by a group of 10,000 people both in Newfoundland and in every province across this country; and the number of miles of the trans-Canada highway to be built by a group of 10,000 people in Newfoundland is far greater than in any other province in Canada. If there is any

added assistance which can be given toward the building of the trans-Canada highway—and I hope there will be—I hope it will be provided, and provided soon, so that we can get along with this job and build the trans-Canada highway in Newfoundland not only to provide work but also to give us a better transportation system.

We live in a province which has an outdated railway. It is one of those narrow gauge railways which over the years has given fine service. It gave yeoman service during the second world war. However, I feel it is outdated in many ways, not only because it is a narrow gauge. Sometime, maybe the C.N.R. or the government will consider the building of a railway of regular gauge in Newfoundland so that we way receive the same service as that which people on the mainland enjoy. In any case, building the trans-Canada highway will assist our transportation facilities which at the present time are not too good. Whatever assistance can be given in this respect I hope can be given early. It has always been my belief, and I have said so in this house before, that when the Canadian government decided it was going to enter into an agreement with the provinces to build a trans-Canada highway across Canada it should have built the whole road and been done with it. I still think that should have been done. However, any increased allocation which can be granted toward the building of this road will be very welcome in the province from which I come.

I could not leave this subject without taking the opportunity to make some reference to federal-provincial relations. We remember that before the election in 1957 the Prime Minister went across this country saying that if he were elected he would call a federal-provincial conference immediately. Well, he was elected. He did not call a conference immediately, but he did call one late in November. I attended that conference—the part of it which was public—and I went away with the feeling that what was done could easily have been done by mail; the same result could have been accomplished if the premiers had just made their reports and sent them in so the Prime Minister would know what they were thinking. However, at that conference the Prime Minister said he was not going to adopt any take it or leave it attitude. The premiers came, they made their statements and they went home with the promise that they would meet again early in January. That conference was never called, and the Prime Minister was remarkably reticent on this subject from then on. Then we come, of course, to the famous telegrams sent by the Minister of Finance in December of 1957 telling the provinces what they were going to get. Here again was the adoption of a take it or leave it attitude. In the speech from the throne we now hear that this particular method is to be adopted for another year, and once again we are faced with a take it or leave it attitude. In the meantime the problem of arriving at agreement between the federal government and the provinces remains unsolved and is no further toward a solution than it was when the Prime Minister talked about it in the pre-election days of 1957.

While talking about federal-provincial relations I cannot resist making some reference to the McNair commission. Hon. members will be aware that the terms of union between Newfoundland and Canada include a provision, term 29, which states that after a period of eight years there would be some revision of the finances of the province. This situation arose because when the terms of union were drawn up it was impossible to forecast what the financial effect of the union would be upon the province of Newfoundland. The province of Newfoundland made preparations for the application of this section of the agreement by presenting its brief, and in turn the federal government appointed a royal commission which went to Newfoundland and considered the various financial aspects of the operation within the province. The commission made its report and recommended that the annual grants to Newfoundland be increased by roughly $8 million. It was my contention and it still is that there was no reason why the Prime Minister when he spoke about this last year should not have immediately implemented the recommendation. I appreciate that it took time for him to consider it but in the interval while the recommendations of the commission were under consideration the government should have given some grant to Newfoundland so the province could carry on with its normal operations.

I know that in the last few days some further meetings have been held and I hope within the near future we will be informed by the Prime Minister that something tangible will be done arising out of the recommendations of the McNair commission. When my leader made his appeal to the treasury benches and to the government to conclude this debate and get along with the more urgent problems of government I believe he made a wise suggestion and I am going to repeat it at this time. I wish now to reiterate my leader's appeal to the government to conclude this debate immediately and proceed at once with legislation to deal with the unemployment problem. So long as the government is prepared to delay action the Liberal

party will take its part in this debate but we in this group are ready to have the vote now and to get on with the nation's business.

Hon. J. M. Macdonnell (Minister without Portfolio): Mr. Speaker, following the pleasant practice which is universal I should like to congratulate the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne and to associate myself with all the complimentary things said about them. They have a great many fine qualities and advantages and also the advantage of being young. I am sure we all feel they should go far in this house.

As for you, Mr. Speaker, you and I have been old friends for many years. It is difficult for me to say what I should like to say to you so I shall not try. I shall content myself by associating myself with all others who have expressed pleasure at seeing you where you are.

At this stage in the debate everyone will agree that it is rather difficult to make oneself believe one is going to say anything very new or very fruitful and yet there are certain things I want to do. I want to make some personal remarks about the Leader of the Opposition (Mr. Pearson) who is an old friend. I did not want to ignore him and I felt he would not want to be ignored. I also want to say a few words about the hon. member for Essex East (Mr. Martin). I am sorry to keep them in the house. In the case of the Leader of the Opposition he need not bother listening to the rest of my speech but I do want him to hear what I have to say about him.

Mr. Pearson: Mr. Speaker, just to show my appreciation to my hon. friend I should like to let him know I have a meeting to attend but I am going to postpone it for a few moments so I will not miss anything he has to say about me.

Mr. Macdonnell: And then, of course, in referring to the hon. member for Essex East I shall have to pay my respects to the Martin statistical service. I feel that should be done. But before doing anything of the sort I should like now—

Mr. Martin (Essex East): May I ask my hon. friend if it will be soon? I also have a meeting.

Mr. Macdonnell: Have you all got meetings? I assure my hon. friend it will be soon.

Mr. Martin (Essex East): I shall stay and listen.

Mr. Macdonnell: Before dealing with the subjects I wish to discuss I thought I might do a little psychoanalysis of those in the front benches on the other side of the house because it seems to me it is a very important matter in construing what they have had to say. And then later I shall have something to say about the commonwealth conference which hon. gentlemen opposite have brushed aside so lightly.

As we look back on the history of the Leader of the Opposition we recall his university days. We recall that during his period at university he was a teacher of the Minister of Finance (Mr. Fleming) and we realize that is why the Minister of Finance treats him with such deference and refers to him always in such honeyed accents. From university the Leader of the Opposition went into the civil service where again he was free from the "dust and heat" of political controversy and even when he went on to become minister of external affairs it must be remembered that we keep external affairs very largely a non-partisan matter and therefore I think it is fair to say that the hon. gentleman never had anything more than a mild defensive to put up.

And then the rains descended and the floods came and the hon. gentleman found himself in what Sir Wilfrid Laurier used to call the "cool shades of opposition". A little later he found himself Leader of the Opposition and of course that role has really required an entirely new set of manners because, of course, a man in that role is expected above all things to be aggressive, to be rough and tough and gruff.

Perhaps the Leader of the Opposition said to himself, "Maybe I shall be all right because I was once a football coach and I will be able to put what I learned on that field into effect." But I suggest to him that is not good enough. Forward passes will not do here because they can be knocked down, or intercepted and run back and although the Leader of the Opposition did give the impression that he was going to try an end run the other evening round the C.C.F. I doubt very much if that will be a permanent feature of his play.

Mr. Pearson: Too much illegal interference.

Mr. Macdonnell: I appreciate that the hon. gentleman is in a difficult position. He is, perhaps, like a total abstainer who has broken the pledge and then just lets himself go. When I say that I am thinking of the unusual words we found him using on the occasion when he participated in this debate "fumbling and bumbling", "confusion and contradiction", "oscillating and uncertain", "violent", "distorting and exploiting". I would say there are no words more unsuitable than "fumbling" and

"bumbling" to describe what this government has been doing except perhaps the words "confusion" and "contradiction", "oscillating" and "uncertain", "violent", "distorting" and "exploiting". I shall try to make that argument good but I have finished dealing with the Leader of the Opposition for the moment and with my blessing he may now go to his meeting. I am very grateful to him for having stayed for I really spent quite a lot of time thinking about that and I wanted him to hear it.

And then we come to his colleagues. I refer particularly to the three front bench cabinet members who followed him into exile, the hon. member for Essex East (Mr. Martin), the hon. member for Bonavista-Twillingate (Mr. Pickersgill) and the hon. member for Laurier (Mr. Chevrier). It is rather interesting to note that when one looks up their names in Who's Who one finds class distinctions. Who's Who differentiates among them. For instance the Leader of the Opposition is designated in Who's Who as a "statesman" whereas the hon. member for Bonavista-Twillingate is described only as a "legislator", and of course there is a distinction there. Then we come to the hon. member for Essex East and he is just described as a barrister.

Mr. Martin (Essex East): That is all he is.

Mr. Macdonnell: I once heard a highly successful barrister described as "a consummate salesman of legal propositions". I have no doubt that the hon. member for Essex East is a good salesman of legal propositions but it is not as a salesman of legal propositions that I wish to acclaim him. I wish to deal with him as a consummate salesman of economic propositions because it is in that field, it seems to me, that he really does extend himself.

And then we come to the hon. member for Laurier and he apparently is just himself because Who's Who does not describe him in any way. The details are given and one is left to assess him. I am glad he is not here at this moment because he always says that I put him to sleep quicker than anyone in this house and I should not want to have to do that again.

I do not know how we should refer to these three hon. gentlemen, the three I call them. They no doubt would be glad if we were to refer to them as the three wise men. Or perhaps we might call them the three musketeers. But I do not suppose they would wish to be called the three blind mice.

Now, as for the hon. member for Essex East, he is a very old friend and as a friend he is hard to beat but as a political enemy, a politician, I warn you all to look out because he is really quite something as a politician. I think that at school he must have won all the prizes for addition because he is so good at adding things together and making big figures. For example, I find that the Leader of the Opposition is just a piker when he suggests that there is going to be a deficit of $1 billion because, according to the Toronto *Star* of December 5, the hon. member for Essex East said that we were headed towards a $1,250 million deficit. I have the *Star* here so there will be no misunderstanding of any kind. We did have a distinguished member of the house once who had the nickname, "what's a million", the former minister of trade and commerce, Mr. Howe.

Mr. Martin (Essex East): I wish we had him now.

Mr. Pallett: You could use him all right.

Mr. Macdonnell: The Minister of Finance says the deficit will be $700 million and if my subtraction is right that is $550 million less than the $1,250 million, so I suppose the hon. member for Essex East would say, "What's $550 million between friends?"

There are delightful inconsistencies in what the hon. member says. For instance, I have two things here which contrast so beautifully that I should like to quote them just to show you what his range is. On December 5 he said that the Conservatives took over when Canada was enjoying prosperity such as it never had before. That is a very comforting thing for him to hear himself saying. That was on December 5. But on March 7 apparently he was off guard and he uttered a masterpiece of understatement. It is not usual for him to understate but this time he did, and I will read what he said. He said, as found in the Saskatoon *Star-Phoenix*:

> The Diefenbaker government stepped into "what was possibly not the brightest situation when it took over."

I think you will agree that was an understatement.

Mr. Martin (Essex East): Those are my words?

Mr. Macdonnell: Yes.

Mr. Martin (Essex East): When did I say that?

Mr. Macdonnell: You said that on March 7. I checked it very carefully. I was surprised to read it, and I point out that it is in quotation marks.

Mr. Martin (Essex East): I would never question my hon. friend but I would be very

glad to know precisely where I said it. If I did I must not have been thinking well that day.

Mr. Macdonnell: I was surprised. I did not think it was something he would intend to say and that is why I checked it so carefully to be sure it was in quotation marks—"what was possibly not the brightest situation when it took over." I do not dwell on that at all. I just mention it because it is interesting to find that when the ex-minister is off guard he can say things which he would not say when he is on guard.

I am not going around the course with regard to unemployment but I just wish to remonstrate with the hon. member for his persistence in using the N.E.S. figures when he should stick to the D.B.S. figures. I want to give one illustration. As found on page 183 of *Hansard* for January 22, he gave the correct D.B.S. figure of 440,000 unemployed. It is a sad figure but nevertheless there it is. Then in the same paragraph he gave 574,000 as the figure of unplaced applicants. That is the N.E.S. figure.

Mr. Martin (Essex East): On December 11.

Mr. Macdonnell: I suggest that the minister—

An hon. Member: Oh, oh.

Mr. Macdonnell: —as he has done on previous occasions, confused these figures and sought to leave the impression that the figure of 574,000 was the working figure. I suggest that. That is my feeling. I cannot prove what was in his mind.

Mr. Martin (Essex East): Was what figure? I did not get that.

Mr. Macdonnell: The second figure of 574,000 the hon. member described as unplaced applicants and I say that is the N.E.S. figure.

Mr. Martin (Essex East): That is right.

Mr. Macdonnell: But I do not think that anyone reading that paragraph would be quite clear that that is what the hon. member intended to convey.

Mr. Martin (Essex East): I wanted to convey that it was a reliable figure.

Mr. Macdonnell: But perhaps I have been a little prejudiced because the minister has been so good at addition that again and again I have seen him use figures that were really just a little on the outside. There is another thing. The minister knows, of course, that these N.E.S. figures—

Mr. Monteith (Perth): The minister?

Mr. Macdonnell: The member. The trouble is we got so accustomed to a certain situation that sometimes we hardly realize what has happened. I do not think they do either. I wanted to make this further point. It interested me a good deal because this N.E.S. figure contains all kinds of people. You could make a list of eight or nine classes contained in the N.E.S. figure. I shall not go into this in detail but one point is interesting to me and I have thought about it. Although I think N.E.S. tries to keep out of their figures people who have jobs, I do not think anyone believes that they are always able to do so. The hon. member may want another job for all I know and it occurred to me as a rather amusing idea that if he had gone in and put his name down on the list and said he did not have a job, then for all I know his name might be there right now among the 574,000.

At any rate, there is no need to press that point further because I wish to say a word about the hon. member for Bonavista-Twillingate. I suppose that we can now say that the hon. member for Bonavista-Twillingate is leading a double life. He is a member of the house and I understand he is also working on the biography of his former chief, the biography of the old master. That interested me quite a bit because there he is at the fount of political guile, shall I say, if that is a proper word, Mr. Speaker—

Mr. Martin (Essex East): The source of history.

Mr. Macdonnell: —and it is interesting to me to speculate as to just how much of the old master's craft he brings into the house. I am also very anxious about the contents of that diary. After all, it could be practically a best seller. When you consider what he may find there about himself and what he may find about other people I would think it would be a fair proposition that he could, if he were that kind of man and, of course, he is not, make some money out of that diary both properly and improperly. I mean that there must be things in it which people would not like to have quoted.

As I said, I am not going to go around the course and deal with all the figures that have been used respecting unemployment. I think the Minister of Justice (Mr. Fulton) did a pretty complete job yesterday. I just want to make a few statements about unemployment and I do not believe anyone can disagree with them. I believe that they will indicate that far from there being fumbling or bumbling or unsteadiness or confusion on the part of the government, the government since it took office has approached the problem in an orderly way just as any reasonable man would, and what they have done since taking power is open to the highest praise and not to criticism.

With the knowledge we have after the event I do not suppose anyone will deny that when we came into power in June of 1957 unemployment was on the increase. By August this was obvious and we took steps to counteract it. I am not going to get involved in a long argument about inheritance or inheriting. I will just make this point from which I do not think my friend, with all his footwork, can get away. Either we inherited something or we changed the economic situation of this country between June and August. Is anyone going to argue that we did that? Is anyone going to argue that what was done in August to meet unemployment was occasioned by what we had done between June and August? I do not think any sensible man will. In August counter-measures were taken. The sum of $150 million was set apart for housing, and I need not do more than recall what has happened since. The amount has steadily risen and is now $750 million. I also notice in the afternoon paper an announcement that the amount is going to be raised.

Furthermore, the employment that has come from that is far greater and came about far more quickly than could have happened in any other way. On December 1 the Minister of Public Works (Mr. Green) said that it would provide 250,000 jobs this winter, and that is only what are called on-site jobs. There is in addition all the indirect work provided to workers on materials, and it is estimated that the off-site employment provided is practically as great as on-site. Then there is, in addition, the ordinary government expenditures of the various departments which account for some 150,000 more jobs. This winter, in addition, we have made an offer to the municipalities, coupled with the provinces to help provide employment, under which I think nearly 1,100 projects have been accepted and something like 19,000 men have been put to work, if my memory serves me correctly.

Now, that is one side. We are all humane men and the distress side of unemployment is greatly in our minds. It was greatly in our minds from the time we came into office. We knew we not only had to deal with the unemployment situation, but we had to deal with the situation of the unemployed. Hon. members will recall that in the autumn of 1957 we introduced measures, and I am going to refer to them very briefly, such as the amendment to the Unemployment Insurance Act lengthening seasonal benefits; raising the old age security, blind assistance, disabled assistance and war veterans' allowances. There was a whole range of things which immediately came to the assistance of those in distress, and much as we regret that there should be any distress, these measures kept distress to a minimum.

I have seen a most able memorandum which was prepared to show the concentration of the various kinds of assistance which came to the aid of those who were in difficulties and which, as I said, I believe reduced the distress to a minimum.

I do wish to record my own opinion, for what it is worth. I believe the unemployment measures that were taken were sensible and were far removed from any of the suggestions made by the Leader of the Opposition. I believe action was taken in a sensible, workmanlike and practical way. I do not believe any person could seriously question these facts, and I hope we can get away from what I describe as the twisting, turning and squirming, and guide our minds by what a former premier of this country, Mr. Arthur Meighen, once called "the immortal ground of common sense."

I sometimes think the opposition has concentrated the whole of its economic thinking on unemployment. Let them take a look at employment for a moment. Canadians on jobs in the month of December numbered 5,680,000, 22,000 more than one year earlier.

Mr. Martin (Essex East): In December?

Mr. Macdonnell: In December. I like to think things are improving, but I am not forgetting to say that there were also more people unemployed, 48,000 more. This condition results from the fact the working force has increased very largely, partly because of so many women coming in, so many young people coming in and because there is immigration. When we are talking about these things I say, do not let us have the whole of our economic thinking taken up with the gloomy side of things. Let us have a look at the other side. After all, more than 90 per cent of our working force is employed, and happily they are profitably employed and they are able, pending improvement in conditions which will mean the return to work of the unemployed, to keep the unemployed from distress.

It is comforting to us all, I am sure, to know that the outlook for this year is good. People who are most thoughtful about these matters give us reason to believe that things are on the road to improvement, and that from here onward things will be on the way up.

I have been talking, up to now, about domestic issues. If we are the people we think we are, there is no reason why we should not deal with those issues and surmount them.

I should like now to turn my eyes outward. I want to talk about the challenge from abroad. It will not do us much good to deal with the situation here, however well we do it, if we do not deal with the challenge from abroad and if we do not remember that communistic imperialism is a mortal threat. I should like to quote from a speech made by the Prime Minister (Mr. Diefenbaker) in Albert Hall, which puts this very well and in a very concentrated manner. He said:

> The communist world since 1945 has changed its direction but not its destination. First it was aggression, now it has made a detour. That detour is towards trade, and the undermining of the economic strength of the free world. As Khrushchev said, "Through trade we can destroy other powers that are opposed to us."

Those who read the report in the morning newspaper of what Khrushchev said will not be inclined to discount the Prime Minister's remark.

I am sorry the Leader of the Opposition spoke of the commonwealth conference at Montreal in a rather contemptuous fashion. Throughout his speech, in so far as he referred to it at all, he tried to play it down, tried to make believe it had not amounted to much. I had the good fortune to be there, and while we should not exaggerate, should not pretend that it did more than make a beginning toward solving problems. No one who was there could accept the attitude of the Leader of the Opposition, who seemed to think it was a matter of a few boxes of salmon and some yards of calico. It was not that at all. Practical steps were taken, but what was really the important thing and what impressed everyone who was there was the spirit.

I hope I am not an unduly emotional man but I confess to you I was impressed by seeing men of different colours, races and religions meeting together as friends and partners. It was impressive to me, the last morning we were there, to hear one of the African delegates, who was just as different from us in every way as it was possible to be, use the phrase, "We of the commonwealth".

What was this spirit? What did it amount to, where did it come from and to what point could it lead us? The answer to these questions depends a great deal upon ourselves. I was disappointed to find the Leader of the Opposition spoke of there having been a lot of commonwealth conferences throughout the last years, and to suggest that one in Montreal was really another similar one. I want to examine that a little.

In 1956, the then prime minister Mr. St. Laurent, went to the commonwealth conference of prime ministers in London. We all had the greatest respect for Mr. St. Laurent, but to those of us in the opposition at that time, that commonwealth conference was a very unsatisfactory thing. The present Prime Minister had tried, year after year, to have more interest taken in the commonwealth. If you go back and search *Hansard* you will find his statements there. Again, in 1956, the present Prime Minister, the then leader of the opposition, and others of us tried to find out what was going to be done beforehand, but there was no opportunity given.

When the prime minister came back, in spite of my respect for him I could not help but feel that this matter had not ranked very high. He told us about the conference. He spoke about the advantages of meeting together and getting to know each other. He spoke about the advantages of meeting people from Asia and getting your point of view broadened. Then, he added this sentence, which just chilled me. He said "problems of the commonwealth, as such, did not require very much attention." This disappointed me a lot.

Mr. Martin (Essex East): Will the hon. gentleman permit a question?

Mr. Macdonnell: Yes.

Mr. Martin (Essex East): I know he wants to be very fair to a man who is not in this house.

Mr. Macdonnell: I do indeed.

Mr. Martin (Essex East): I know that, and I know the hon. gentleman is one of the sincere members in this house. I am sure that now, as a member of the government of Canada and with the access he has to all the documentation, he would agree with me that the former prime minister, on the basis of that documentation, will go down as one of those in our time who did more to preserve the commonwealth than possibly anyone else. The documentation is there and it speaks for itself. I ask the hon. gentleman whether he does not agree with what I am now saying?

Mr. Macdonnell: My answer to that is that I have not read the documents. I can only go by what was said. I am not blaming the then prime minister particularly. This was his report, and I have no doubt a fair report of what took place. It is because it is, I assume, a fair report of what took place, that it troubles me so greatly. Let me read the words again:

> Problems of the commonwealth as such did not require very much attention."

If that was the attitude of those there, it seems to me it indicates an entire failure to assess the situation, unless I am entirely wrong. To me, within the world in which we live, if this commonwealth has not things

to do and is not able to do them, I think it is going to be just too bad for us all. I think we are just like children playing in the sand if we do not take this commonwealth seriously. If you look at the world in which we live you find these two great continental empires—we have three now with China, but let us stick to the two—namely the U.S.S.R. and the United States, two great land masses standing off and glaring at each other, and you have the commonwealth which in my opinion is a possible bridge.

By the way, there is one thing that I wanted to say. I do not want to fail to give the previous government credit for the Colombo plan. I do not want to omit any credit they deserve because I do not think they deserve very much.

I now want to turn for a moment to our present Prime Minister. Any one who will take the trouble to go back and read the documents, and read of the attitude that he has taken throughout a good many years, will see that for years in opposition he had tried to have this thing taken more seriously. I should like to read from what he said in 1954, as reported at page 5194 of *Hansard* of May 28, 1954, showing that even then he had the feeling of the extent of the influence this commonwealth had and which it continues to have; and if it did not continue to have it, the results would be bad for us all. This is what he said:

> Indo-China, and what is happening there, may be a turning point in our history. What is happening in Geneva may bring the commonwealth closer to the United States than ever before. The commonwealth has a tremendous contribution to make in the world in the preservation of peace in Asia, with its Asiatic membership joining with the western members of the family.

Eighteen months ago I had the good fortune to be in Malaya when it became a free nation and when it joined the commonwealth of its own free will. I was impressed first of all by the fact it was being done and in the second place, I was impressed by their attitude and their desire to be associated with the rest of us and to play a part with the rest of us. Incidentally I may say that I am told that they have conducted themselves extremely well in the United Nations. I want to read further from the Prime Minister's words as follows:

> The future of southeast Asia is at stake. The unity of the western powers must be maintained. Communist strategy seems to be designed to divide and conquer.

How true that statement is.

> This debate will show that as far as Canada is concerned we will not be divided. I hope there will come in our country a fuller realization of the responsibilities of Canada in the world of today—

This is in 1954.

> —and a determination to continue the course of peace we took in the North Atlantic Treaty Organization.

What an accurate forecast that was of what has been happening and is still happening. In the light of this, in the light of what he had been saying for years, he did not lose a day. When he became Prime Minister he went straight to London and there, as we all know, he pressed for and succeeded in having a commonwealth conference held.

My time is short, Mr. Speaker, but I wish to say something of this commonwealth. When I was in Malaya the thought struck me, as it never had before, of the world-wide extent of the commonwealth; with one country in America; one in Europe; four, if I remember right, in Asia; two in the south seas; and three in Africa; it spans the world. The hon. member for Essex East has been there and he will endorse this. It is an example of a world order on a small scale. We are in North America but we are also in the commonwealth. Australia is in the south Seas but it is also in the commonwealth. Malaya is in Asia but it is also in the commonwealth. The Prime Minister was quick to realize this truth. Actually, it is almost a miracle that it exists as it does. Would anyone have visualized 10 or 15 years ago that if India were given its freedom, and particularly if it became a republic, it would still stay in the commonwealth? I will venture to say that anyone to whom that proposition was made would have thought it to be silly. However, it exists because of understanding and common purpose and a common belief in the dignity and the importance of the individual or, in other words, freedom. I saw this in Malaya.

All this is true and important, but it is not the whole truth. Men who are starving will in the end prefer food to freedom. That is the reason why we must see that they are not left with this dreadful choice. In other words, we must see that they can be developed to the point where they can feed their populations. The solution, of course, is to help develop the underdeveloped countries. This thought was in everyone's mind at Montreal when the conference took place. It seems to me it is a pity that we should be splitting hairs as to whether the conference led up to or foreshadowed the currency arrangements which were made afterwards. I think we have some important things to talk about other than that. The Prime Minister realized it. Here is what he told the people at Sydney when he went around the world to follow up the conference. He

realized it was just the beginning. He realized more had to be done. He said to the people in Sydney:

> I came for the purpose of seeing members of this commonwealth and, in particular, those who, as you said a moment ago, are located in Asia where I believe, as I have said on other occasions, the success or failure of the endeavour among our nations to achieve not only a common heritage but also, in achieving that, to ensure a high degree of economic prosperity each for the other will depend upon whether or not this commonwealth can live, expand and develop as I expect and anticipate it will.

I believe these are matters of vast importance for us to think about. We must not regard it as a kind of super community drive. We must regard it as a task which faces us not merely because other people are badly off, but in our own interests because it is essential for us to live in an expanding world, as was said at the conference. This world must expand to the point where the underdeveloped countries can develop and trade and in that way to the point where we can all prosper.

I think it is absolutely essential that we should all get an entirely new conception of the duties and responsibilities that lie on us before it is too late; and when I say "too late", I mean "too late". I sometimes wonder whether we in North America are not like children playing in the sand. Of course, we seem to be far off from danger but we now know that nobody is far off. I sometimes wonder whether we are taking ourselves seriously enough when we enjoy all the things that we have and seem to have so little time for thinking of the responsibilities which face us. Whether right or wrong, whether we were doing it well or ill, when we were at Montreal we were trying to face these things. I regret more than I can say that all the opposition could do was to try to play it down. I want to read to you from what the Prime Minister said at Royal Albert hall on November 4. He puts the matter clearly and inescapably. Here are some of his words:

> I want to assure you in simple language that our desire is to contribute to the strength and the spirit of the commonwealth and to the common welfare of its peoples. When you see the peoples in Asia you realize that if all we bring before them is the promise of parliamentary government, stomachs are not filled with that.

Later he said this:

> I think it is idle for men to speak of peace, of freedom and parliamentary democracy, unless the association can meet the basic needs, the economic needs of the various peoples comprising this family of nations.

Mr. Speaker, my time is up. I hope that my words have perhaps carried some conviction. I hope that we shall recognize the responsibilities that we face and that we shall not wake up one day and say to ourselves, "Why did we not think about that before? Nobody ever told us". The Prime Minister has told us. I hope we will register his words, take them seriously and act accordingly.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, it is very easy for me to offer congratulations to the hon. gentleman who moved the address (Mr. Jorgenson). He was on the NATO parliamentary junket with me, and if it is permissible for one member to say it about another, I thought he was well above the average in both ability and insight. I did not have the opportunity of hearing the speech made by the seconder (Mr. Fortin). I read it. I noticed it received tremendous commendation in the press and I personally, after reading it, felt that it was in the long tradition. It seems that ever since Lord Durham let the black cat out of the bag in 1837, one of the things English and French Canadians like to do when they get together is to be very sweet to each other and talk in terms of national unity and how well things are going. I have nothing against that at all but I sometimes feel there is a sweeping change taking place in French Canada and I, for one, as someone who lives a long distance away from it, would wish that we could have recapitulated in this house some of the views of this new Quebec that would remind us more of what Professor Lower has put down, and I think correctly, namely the fact that because we have French and English in Canada it forms our primary antithesis. I certainly say this, we should hear an explanation from English and French speaking members from Quebec of their views in the controversy centring around the Tremblay report.

In this matter of French Canada being on the move, I have heard a rather interesting little remark from a French-Canadian friend of mine about the C.B.C. strike in Montreal; that this was the most unusual thing that ever happened; for the first time the French-Canadian intellectuals seemed to be working with the labour movement in Quebec. I said, "This certainly would be unusual because from my reading of the Quebec press the French-Canadian intellectuals seem to spend most of their time worrying about invasions upon the purity of the French-Canadian language." This chap said, "Wait, my friend. In six months time they will be worrying about the purity of the labour movement", which, if it should happen, would be most interesting.

In the remarks I have just made I would not like to leave the suggestion that the fact of national unity is something that we need

to dismiss. I think that the last prime minister, the Right Hon. Louis St. Laurent, combined in his person a tremendous charm reflecting both branches of Canada. He did a great deal just in his restatement of platitudes in moving us toward national unity, but I still think it is not going to be resolved without far more discussion and the cross current of debate. I do not mean the kind of debate that seems to develop so often in this chamber by French-Canadian members on a partisan basis which seems to be a mere matter of black and white and white and black.

One cannot help but welcome the translation device which is available to us all. The only thing I would like to remark in connection with the arrangements in the chamber is that there has been a threat to cut down on the reading of speeches. I sometimes think that we will be just beating ourselves against a feather pillow in attacking the problem. One of the things that might be suggested here is that at the party caucuses, instead of worrying about reading of speeches, we could give some lessons in reading.

One of the things that bothers me in the reply that the Prime Minister (Mr. Diefenbaker) gave to the Leader of the Opposition (Mr. Pearson) in this particular debate is his delicate sensitivity with regard to criticism of his trip beyond the seas. I have been puzzled as to why he is so peculiarly sensitive in this regard. I heard him make the remark that a statesman was a dead politician. In other words, he recognizes that he is a politician. I think he is also aware that world trips give glamour and prestige which may be reflected in that crass but very important place, the polling booth. Surely he cannot blame other politicians for trying to set a balance against that glamour and prestige. I certainly found that it was a most interesting trip. I know that some of the Scottish people in my constituency were delighted to discover that the Prime Minister went looking for his Scottish ancestors. Many did not realize that he had Scottish ancestors. I only hope that everything went well for him in that search. I know a friend of mine a few years ago went and looked up the kirk records in Scotland to trace his ancestors on his father's side. He discovered that his great great grandfather, who was born in the middle of the 18th century, was illegitimate and had been just a charge upon the parish. This was quite embarrassing and he sloughed off his interest in geneology.

One of the other things about the Prime Minister's trip that I know interested many people in my constituency was the dispatch out of Rome that a photographer was absent, unfortunately, when the Prime Minister was having his interview with the Pope, and I quite frankly say that photograph would have been worth a great deal to the Prime Minister in electoral terms.

The part about the world tour that I appreciated most was the homely and amusing story that came out of Lahore, India. To a Kipling reader the snarling of tigers and the trumpeting of elephants and the whole exotic orient portrayed in those books creates a magic spell. Thus to a Kiplingite the remark of one prominent member of the Canadian delegation was wonderful. After the party had watched a display of the whirling dervishes he said that they reminded him very much of the shriners in Canada at a convention.

Later on when the Prime Minister came arrowing home across the very romantic south Pacific, it just happened to coincide with a very severe cold wave in Port Arthur. The batteries in our cars were frozen and the radiators were frozen and the thermometer stood at 30 degrees below zero. The unemployment percentages happened to be rising above 20 per cent of the labour force and, as a consequence, certain feelings welled up naturally at the thought of this exotic trip in contrast with what one poor member of parliament was suffering in his constituency.

In making these remarks one would like to remind the Prime Minister that we do not want that Gallup poll to go right up to the top. If it goes much higher I am sure he will request that we all get out of here. I would ask him and the Conservatives to be a little less sensitive with regard to this world trip.

One of the things that I must credit the Leader of the Opposition for is the exceptionally good speech he made this year compared with what was referred to that in January of last year—a relative failure. Certainly, after the speech the Prime Minister did not come rushing into the abattoir in the way that he was described as doing last time. I thought there was rather an excellent selection of material in the speech of the Leader of the Opposition and that congratulations should go to Professors Lamontagne and McEachen. Carlyle once said that economics is the dismal science, and these gentlemen are professors of economics. This may be the explanation for the certain gloomy quality in the speech of the Leader of the Opposition, which the ranks of the government have bleated about.

One of the things I noticed the Leader of the Opposition referred to, and it has been referred to by other hon. members here, is the performance and denunciations of the

hon. member for Restigouche-Madawaska (Mr. Van Horne). I was delighted, Mr. Speaker, to discover that the views of the hon. member for Restigouche-Madawaska had even reached France, not Paris, which is the heart of the nation, but the relatively provincial city of Lyon, France. Here is a newspaper called *L'Annonceur Francais* for December 31, 1958, and who is on the front page in connection with an analysis of the political situation in Canada, none other than the hon. member for Restigouche-Madawaska. It is in French. My translating abilities are not exceptional, but I did translate this, and it fits in nicely with the way the hon. member's remarks have been used in the past. The member of parliament for Restigouche-Madawaska said:

> We appreciate that you have helped us to accomplish our work.

He was speaking to a very large association in New Brunswick last August. I gather the people belonged to L'Union des electeurs. I continue with the translation:

> We always find money by the million and by the billion when it is for war. Why can't we find money to double the family allowances? The politicians have their eyes closed to misery, we should open them wide and quickly as we do in the case of war.
>
> It is inexcusable that in a country as rich as Canada that there are still people reduced to living in poverty, yes, even in black misery. If this is not the fault of the government then whose fault is it?

This part is interesting, and it suggests a new tack in the career of the hon. member for Restigouche-Madawaska:

> The monetary principles that we know are insane. The only answer is to proclaim this with all your tenacity to show the absurdity and the barbarism of our actual finance system.

That was the end of the reported remarks of the hon. member for Restigouche-Madawaska. There was a quotation from the hon. member for Temiscouata (Mr. Frechette) too. His remarks are a little lighter, but they provide an adequate footnote. He said:

> I have never before listened to a speech so interesting, because it is based on the truth, and when I think of this goodwill meeting it is very encouraging to me. It is you, the electors, who should say what you wish. It is you who pay. We have no status but to serve you and to carry out your legitimate wishes.

One of the rumours we have heard around here—as a matter of fact it was, perhaps part of a public announcement—with reference to the hon. member for Restigouche-Madawaska, is that he was leaving this chamber in order to assume duties in another place, possibly in the market place of Montreal. I have also heard a rumour going around today—I hope it is not true, because if it were it would fill me with great sadness—to the effect that the hon. member for Essex East (Mr. Martin) is contemplating leaving this house to enter a different field of endeavour. It seems to me that would be a very tragic blow to this house. I think the former member for Winnipeg North Centre, the former member for Coast Capilano, and the present member for Essex East are the three people to whom I have looked up most consistently in terms both of their deft skill and of a certain liveliness which they injected into the debates of this house, and the thought of the loss of the third of that trio leaves me with a certain sadness.

One of the things about the speech of the Leader of the Opposition which intrigued me was the little lesson in economics which he failed to give to the government and to the Prime Minister. On the whole he attempted to make what he thought was constructive criticism, but he hesitated to suggest any way out of the twin dilemmas which face the government at the present time. I followed what he said. I had read the article in the *Reporter* magazine to which he referred, and I noticed that whoever had looked over the article in question had lifted out exactly what would fit in with what the Liberals had been talking about a year ago. I wondered why the Leader of the Opposition had not put this into the record from the same article in the *Reporter* which, incidentally, was written by Arthur Burns, a very orthodox economist who was lately adviser to the President of the United States. The quotation I have in mind reads:

> An inflationary psychology is definitely spreading, and it poses a serious threat to our nation's economic health and progress.
>
> It is precisely for this reason that we must seek solutions both promptly and in a constructive spirit. The suggestion, which keeps recurring, that the way to control inflation is to be less zealous about checking recessions is a counsel of despair. If we ever attempt to follow it, we would only add to our troubles, both domestically and internationally.

In other words, Dr. Burns is orthodox.

> Our real need is not to weaken anti-recession policies but to improve them so that they will be less likely to release inflationary forces. I must add, however, that improvements in our business-cycle policies will not of themselves suffice to curb the inflationary trend. The problem of inflation which we face is of a long-range character, and a comprehensive policy and some major reforms are required to bring inflation under reasonable control.

Now I think all hon. members probably noticed the rather querulous note which crept into the Prime Minister's voice when he was answering the Leader of the Opposition as reported on page 62 of *Hansard*. Describing the problem of inflation and speculating on the answer to it, he said:

> There is one of the major problems that economists have not been able to answer today, the

unusual position with which we are faced. I think it requires action on the part of all of us.

I have the unusual feeling, recalling these words, that the Prime Minister was waiting for an economist to come up with the answer. And here is an economist with an answer as far as the United States economy is concerned, though I think it could be translated into Canadian terms. Dr. Burns goes on:

> It will take many minds and much effort to work out the particulars of this policy. The way to start, in my judgment, is to amend the employment act so that reasonable stability of the consumer price level will be explicitly included among the high objectives which it is the continuing policy and responsibility of the federal government to promote. Such a declaration of moral purpose by the congress with regard to the price level is the most effective action that can now be taken to arrest the dangerously spreading belief that we are living in an age of inflation. Once that is accomplished, we must go to work not merely on the monetary front, or the fiscal front, or the agricultural front, but on all these and others, without, however, interfering with the essentials of economic freedom.
>
> We need to review the patchwork of special legislation that our government has evolved through the years in the form of price supports, import duties, import quotas, wage regulations, stockpiles, and subsidies—all of which tend to raise prices. We need to devise better defenses against monopoly power, whether it crops up in business dealings or in labour relations. We need to establish local productivity councils, composed of civil leaders, business executives, and trade-union officials, to spot industrial wastes and promote improvements in efficiency. We need to review our tax laws, with a view to carrying out reforms that may spur the nation's productivity. We need to keep a firmer rein on public expenditures in times of advancing prosperity and develop better budgetary controls over the progress of expenditures.

Then Dr. Burns goes on to further suggestions. Now I submit that involved in all these suggestions is a concept and an idea of social and economic planning that everybody seems to do a buck and wing about in the Conservative party whenever they are mentioned. What is the alternative? Many of us remember the speech made by the hon. member for Queens-Lunenburg (Mr. Crouse) the other day when he stood up and extolled the virtues of free enterprise, giving us all the impression that he came from a constituency of independent, rugged individualists who delighted in making out on their own without interference from any quarter. It was a fine speech on the free enterprise ethic, yet what did he say immediately afterwards? He began to talk about government subsidies for the shipbuilding industry to help things out in his part of the country. I do not blame him for asking for these subsidies, but why try to have it both ways? Obviously his constituency is in as much need of subsidies as any other, and in these circumstances, with these paradoxes to boggle at the words, social and economic planning seems to me completely silly.

Now here is a Canadian economist—at least he is Canadian in origin—to whose work I have referred before, and I wish the Prime Minister would invite him to Ottawa so that he might assist in the solution of some of these problems. I refer to Professor Galbraith who wrote the best seller "The Affluent Society". Professor Galbraith has quite a number of suggestions to make regarding the way out of this dual problem of inflation and unemployment. One of them could really have been considered a year ago, and that is the question of so adjusting our unemployment benefits that if you have a very large amount of unemployment the benefits would go up, and if you had only a small amount of unemployment the scale would go down; in other words, the scale would change with a definite idea of pumping money into the system when it was actually needed.

One of the points which Professor Galbraith makes that we never seem to get clear, despite all the concern we have about production and the gross national product, is that Russia has a much lower gross national product than the United States and yet is able to achieve things on such a scale that they frighten us, all by means of more efficient direction. None of us wants to see here the type of system that the Russians have; I am sure that I am no more and no less of a gradualist with regard to movement in economic terms than anyone else in this house, but we have to face the implications of what is happening elsewhere. One of the paragraphs in Galbraith's book which particularly interested me was this:

> Our economy, and the economic theory that explains and rationalizes its behavior, immobilizes all but a minor fraction of the product in private and, from the standpoint of national security, irrelevant production.

In other words, he means such things as lipsticks, breweries, alcohol and similar articles which are by no means part of a nation's vital production. These are quite irrelevant, certainly much more irrelevant than such things as schools, highways and roads. Professor Galbraith goes on:

> We have not seen that the problem is far more than one of a bigger budget—that it is one of our attitude toward the goals of the society itself. A society which sets as its highest goal the production of private consumer goods will continue to reflect such attitudes in all its public decisions. It will entrust public decisions to men who regard any other goal as incredible—or radical. We have yet to see that not the total of resources but their studied and rational use is the key to achievement.

One of the most interesting pastimes in which one can engage at this time is going through the speeches of the backbenchers, if

you do not mind the use of that term, Mr. Speaker. Almost every one of them has stood up and laid on the line what he would like for his constituency and almost every request has been in the field of public expenditure or of public capital. I think it is time we faced up to the anachronism in our thinking and realized that there is now very little real difference between the question of free enterprise and social and economic planning. We may be able to operate with one and retain the basis of the other but we will have to move on against the whole crisis and have regard to the international situation.

One of the difficulties one encounters in speaking on a topic like this is that one perhaps tends to fulminate more than one should if one is to keep one's arguments reasonable. From my meagre knowledge of economics I believe that the Keynesian system of economics is over the hill. Under that system it was felt that somehow by monetary and fiscal finagling of the entire financial structure of the country you could keep going on or adjust to an even keel. The Prime Minister says the economists do not have an answer. I believe we should conduct a continuing study of the whole field of social and economic planning, placing it on a rational basis instead of having it a piecemeal, ad hoc affair that makes no pattern.

One reason I get excited in this respect is that unemployment in my region is very bad and at this moment approximately 25 per cent of the labour force is unemployed.

Last year I made a certain statement in this house and when I did various hon. members went running around the chamber saying that they would report it back and checkmate the C.C.F. out west. I am going to make that statement again today because it is as true now as it was then. In terms of the financial fibre of this country there is no industry more important than the pulp and paper industry, without excepting the grain business on the prairies. If you want to get a clear picture of it, look at the export trade figures. The pulp and paper industry is in serious trouble. One of the promises extracted from the Minister of Northern Affairs and National Resources (Mr. Hamilton) last year was that the government in co-operation with the officials of the Department of Finance would study the whole question of fiscal policy in relation to the pulp and paper and forest products industry. There has been unrest and worry in the industry for some time. One thing we do know is that those engaged in the industry in northwestern Ontario have the highest wood costs in the world so far as pulpwood is concerned.

They also have some of the highest transportation costs in the world. Every time freight rates go up they are in more difficulty and their competitive position is weakened. We know that the southern states have brought more pulpwood forests and mills into production. They have a tremendous advantage over us for their growth cycle is three or four times as fast as ours. On top of that chemical engineers are revolutionizing the process of dealing with low grade species produced in the northeastern and the lake states. Most of our pulp and paper is exported to the United States and our competitors there are in an increasingly strong position.

We have also to face the problem of competition from Russia. There are under construction in Russia two pulp and paper mills with a capacity of 1,000 tons a day; genuine giants. What will happen to the industry in Canada if Russia should decide in future to drop a few hundred tons on the world market? The important but relatively little we do export to Europe and the Caribbean will be lost to us. We need to take a close, hard look at the pulp and paper industry in Canada. I know very definitely that representations have been made to the government from the point of view of management and I wanted to go on record stating the position from the point of view of those engaged in the industry in my particular area.

I received just today from a professional forester in my area a copy of a paper he gave about ten days ago in Sudbury to the Ontario professional foresters' association. He has indicated that many people approached him and said he was a brave man to have given this paper. I want to read a few paragraphs from it in the hope that these words will come to the attention of the Minister of Northern Affairs and National Resources. I believe it points out clearly some of the problems the forest industry faces at this time. The article is entitled "The Professional Forester in Industry" and was written by Mr. K. W. Hearnden. Portions of it are as follows:

> Canadians, in government and industry, are still busily engaged in the conversion of the forest, our most important resource, into revenue and profit dollars and an enviable standard of living without a proper awareness of the possible consequence of neglecting the early initiation of forestry measures. The consequence, suggested by the Canadian Institute of Forestry in a submission to the royal commission on Canada's economic prospects, is that "the country is in danger of impoverishing its most economical sources of wood". In 1957, Dr. H. R. McMillan, an eminent Canadian forester of 50 years professional experience said, "It is doubtful whether Canada, with its present attention to forest management, can sustain today's annual cut in perpetuity, even by going farther north each decade into virgin forest (at greater cost for logs) or by using a higher proportion of inferior species (thus reducing our competitive ability in the foreign markets upon which we depend)."

I might say that Dr. MacMillan is one of the few foresters I know in this industry who has become a multi-millionaire. I know that as far as our foreign markets are concerned exports are down and a couple of machines in lakehead mills are being closed down and we do not know when they are going to operate again. The following statement is very clear:

Canada does not have an official forest management policy which will ensure the perpetuation of our forest resource and the maintenance of our future world competitive position in forest products. This deficiency is apparent in the legislation of most provinces, whereunder regulations are made to ensure the orderly liquidation of virgin stands and to provide for the levying of stumpage assessments, taxes, rentals and penalties. it can be said, then, that the forester in industry derives little or no support from either the general attitude of the public toward the forest or from existing forest legislation. With but few exceptions, it can be said that he has neither the authority, nor the responsibility for the management of the forest areas with which he is directly concerned.

Later on in the article the writer states:

In adequate forest legislation and public indifference and ignorance have already been suggested as deterrents to forest management and to the discharge of professional duties in industry. In addition, several other factors should be mentioned:

1. Costs—Steady increases in the cost of producing timber during the past ten years are largely attributable to the demands of labour. These increases have had the effect of reducing any margin which might have been made available for forestry.

2. Forest Management Standards and Objectives—At present the industry has no long term objective in forest management other than the continuous production of essential raw material and the maintenance of a rough status quo in respect of the regeneration of logged sites. Under present conditions, industry is prepared to accept whatever stand conditions may fortuitously develop after logging and assumes that chemistry will solve future problems created by low grade, second growth stands and proliferating silvicultural "slum" areas.

Without silvicultural standards, arbitrary or otherwise, governing regeneration establishment periods, stocking and species requirements, the industrial forester cannot properly manage the forest. This is probably the most contentious single issue amongst foresters and one which must be resolved soon by the profession as a whole.

3. Authority—With but few exceptions, foresters in industry do not have the authority to manage the forest in any real sense. It is probable that this authority can only be created by enlightened legislation.

That is a very large problem and it ties in closely with costs. Not only are labour costs high but we are getting farther from the mills. It will be a longer time before the forests close to the mills come back than is the case in the southern states or in Russia.

I wish to express a real debt of gratitude to two hon. gentlemen from Toronto on the government side of the house who spoke about education. I only hope they are working in caucus to convince more and more of their members that action by this government in the field of education would probably be the most popular measure that could be placed on the statute books at this time. I admire the report to which they gave publicity and the arguments they advanced. Certainly the report and their presentation of the situation were not complete but there has been no finer treatment of the subject in this house in the short time I have been here. As a teacher and librarian I expected to find a concern for education among members of parliament when I same to Ottawa but I soon learned that most hon. gentlemen were not interested in the subject in any real, heartfelt way. Therefore I want to heartily congratulate the two hon. gentlemen for having spoken on this topic. They deserve it for standing up and outlining the position of Canadian education vis-à-vis the Russian and for detailing reasons why, when, and where we should move with respect to this field.

While the hon. member for Greenwood (Mr. Macdonnell) is in the house I want to make a few remarks about Conservatism which might be a nice note on which to conclude because as a life-long Conservative I know he is interested in this topic. A C.C.F. member of parliament was once approached by one of the best lady workers in his whole constituency organization at a meeting at which he had made a resounding, table-pounding speech on the virtues of socialism. She said, "Do you mean to say we are socialists?" He nodded his head and said, "Yes." She said, "Oh, I never knew." This account in the Winnipeg *Tribune* of January 20 is very enlightening. It has the heading, "Why Are Tories Tories? They Follow Parents' Politics." I am going to put this article on the record because it is so interesting. It is written by Frank Jones and I think the members from Winnipeg should give him a pat on the back. The article reads:

Why are Conservatives Conservatives? According to members of the South East and St. James Women's Progressive Conservative Association asked this question Monday, it's because their mothers and fathers were Conservatives. From the president down, it seems it's a matter of what the rest of your family are.

"My husband was an ardent Conservative," said retiring president, Mrs. F. M. Bastin in her report to the annual meeting. "And I endeavour to live by the Guide motto—I promise to do my best."

Asked why she was a Conservative, a new member, Mrs. I. E. Hansen said she thought the Liberals might be for union with the U.S.A. "But the Conservatives tend to cling to British ties."

Diefenbaker?—"A man of great ability."

What about a television commentator's claim that the Prime Minister has an inflated ego? "Well it would be foolish for a man of his ability to pretend humility."

Mrs. J. Jenkins, one of Winnipeg's longest standing Conservatives knows why she is a Conservative. "They are loyal to the good old Union Jack and are for the betterment of mankind." She also knows why she does not belong to another party.

This is very interesting.

"Liberals are not for the underdog; the C.C.F. are a bunch of communists and are anti-Christ. Communists represent the devil."

We are getting right to the heart of the Conservative creed here.

Miss H. J. MacNeil, who has worked for the Conservatives in elections for forty years, said, "By far the best party. Sir John A. Macdonald was quite right in his principles. We should pray for the fall of these dreadful communists," she added as an afterthought.

Like nearly every other member asked, new president, Miss Ethel Johnson, said she was first a Conservative because her father was. "I think they are not so much for change as the Liberals. As their name suggests, they are conservative."

How did she account for the word "Progressive" in the title? "Yes, that has puzzled me too sometimes, but I expect there's a reason for it."

Another member, refusing to give her name, said she was quite certain she did not believe in the C.C.F. "I don't know much about them but I know I don't believe in them."

This took me, Mr. Speaker, to an article that I enjoyed very much last year. It deals with another viewpoint of the differences between Conservatives and Liberals. I showed it to the hon. member for St. Lawrence-St. George (Mr. Chambers) and after reading it he just mumbled—I think that is a fair statement—that he figured he was a liberal. Anyway, this gentleman, Mr. Herbert McClosky, did a social science research project analysing in depth what "conservative" and "liberal"—not with capital letters—mean. This article is the result of the long study he made and I know that the hon. member for Greenwood (Mr. Macdonnell) will be interested. It reads as follows:

One of the clearest findings in both studies is that, contrary to claim, conservatism is not the preferred doctrine of the intellectual elite or of the more intelligent segments of the population, but the reverse. By every measure available to us, conservative beliefs are found most frequently among the uninformed, the poorly educated and, so far as we can determine, the less intelligent. There is a sharp decline in the level of information and intellectual grasp as one moves from the more liberal to the more conservative sections of the population . . . The data show clearly, nevertheless, that the most articulate and informed classes in our society are preponderantly liberal in their outlook.

He goes on to say:

Conservatism, in our society at least, appears to be far more characteristic of social isolates, of people who think poorly of themselves, who suffer personal disgruntlement and frustration, who are submissive, timid and wanting in confidence, who lack a clear sense of direction and purpose, who are uncertain of their values and who are generally bewildered by the alarming task of having to thread their way through a society which seems to them too complex to fathom.

There is another quotation in this regard that I appreciated very much. It is taken from "The True Believer" by Eric Hoffer, published in 1951, and reads as follows:

Far from being the elite or the masters or the prime movers, conservatives tend on the whole to come from the backward and frightened elements of the population, including the classes that are socially and psychologically depressed.

This whole question raises this issue, Mr. Speaker: Are these Conservatives more progressive than conservative? After reading this indictment of the conservative mind I hope that for their sakes they are more progressive than they are conservative. I can only suggest that maybe it might not be a bad idea if the Prime Minister, who has often been said to be a progressive, would drop the "Conservative" from the name of the party so that it would become known as the progressive party. I am sure we would see them in a little rosier hue.

When I make the suggestion I am drawn back to this very interesting article in the Winnipeg *Tribune* and, comparing it with the conclusion reached in this socio-scientific study, we are left with a real dilemma, something like the dilemma that members of the opposition have been left in when considering the program before us this session.

I am informed that I have a few more minutes. I had intended to speak longer on this particular theme but I see so much recognition on faces in other parts of the house of the pithiness of the words I have quoted that I do not think there is any need to continue. One matter I should like to touch on relates to the Canadian National Railways and the effect of central traffic control and dieselization on the future of divisional points. I have four Canadian National and three Canadian Pacific divisional points in my constituency and there is tremendous concern among the railroaders about pending changes. I have here a letter I received from the council of the town of Hornepayne in northwestern Ontario and it will give some idea why I feel we have to check, watch and demand much more from Mr. Donald Gordon than we have in the past. Last year Mr. Gordon appeared before a parliamentary committee. I do not want to put improper opinions in his mouth but I took from his remarks that he felt there was not much use in going out and telling these people what was going to happen. This letter is addressed to me and it is signed by John Redgrift, reeve of Wickstead township, Hornepayne, Ontario, and reads in part as follows:

Owing to the fact that the prosperity of our community is directly affected by the efficient and

profitable operation of the Canadian National Railways we deem it necessary to criticize the present policy of the present management of this company.

It seems to us that the Canadian National Railways is at present under the control of a group of unrealistic economists and through this control the operations are deteriorating to the point where not only are they unprofitable for the future but are also becoming very unsatisfactory in regards to safe operation. Lay-offs are taking place that cannot help but aggravate the above-mentioned conditions and we herein mention some that directly affect the safe and profitable operation of this great railroad owned by the Canadian people.

First of all, our track, main line and yards. Not only have the section forces been reduced, who are responsible for maintaining this track in condition for high speed operation, they have been given additional mileage to maintain, more switches to keep in working order which means that they must travel additional distances to the scene of their repair work and therefore less time to do the necessary repairs to the track and maintenance work on the switches and yards. This means that the track conditions are deteriorating rapidly, necessitating the issuance of slow orders to the operating trains and a curtailment of their speed to the point where schedules cannot be met, let alone make up time in the terminals.

The terminal and repair forces have been reduced to the point that it is impossible to service a train properly in the terminal time allotted to the schedules of our trains. Therefore trains are leaving not properly inspected and serviced with the result that breakdowns and delays occur enroute between terminals with the accompanying danger of derailments that could be very costly and a serious possibility of fatal accidents. Not long ago, in fact during the Christmas rush, a passenger train left Capreol improperly serviced with the result that the steam generating boilers ran short of water, freezing up several coaches on the remainder of the train. The train stopped at an emergency watering point, this service was frozen up owing to lack of attention. The train proceeded to the terminal where there was no thawing facilties due to the laying off of the boiler attendant last spring and the facilities not re-opened last fall. This train then proceeded to the divisional point where it was delayed eight hours thawing out the steam lines in the coaches. These coaches were our best equipment on the "super continental" and were a complete shambles on the completion of the thawing job, and the 407 passengers on the train, all in a hurry to get to their destination for Christmas were, to say the least, very annoyed and disappointed in Mr. Gordon's claim "service bar none". This type of service does not speak well for the future patronage of this railway by the passengers of our "super" that day.

Our rolling stock backlog of defective cars is steadily mounting and each of these cars that are classed as "loads" represents some dissatisfied customers patiently waiting for their shipment of freight to arrive, and on top of this there is a move on foot to reduce further the repair men and repair points for these cars.

The letter goes on to state that there is fear in the other communities, and in the other divisional points, that they are going to become ghost towns. The value of their property has tumbled. There is a deep dispirited feeling abroad in these communities, and people are moving out. This whole situation involves the question, what is the responsibility of a large corporation when it is the bellwether of the community's economy? Does the corporation, and in this particular case the people of Canada, accept certain responsibilities for these bad conditions in these divisional points? This is one of the reasons why I think this government needs to do more planning and more studying on this sort of thing. We now have a terrible situation in these particular divisional points. I shall close on this particular note hoping that the Minister of Transport (Mr. Hees) will get together with the president of the Canadian National Railways.

Mr. G. D. Clancy (Yorkton): Mr. Speaker, may I first join with those who have spoken before me in welcoming and congratulating the four new members who took their seats on January 15. At the same time, I extend my deepest sympathy to the relatives and friends of the late hon. members for Trinity and Springfield who sat with us during the last session. I do this on a personal note because I formed a very close friendship with these two members.

To the mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address in reply to the speech from the throne, I offer my sincere congratulations; first, upon their having been so honoured and, second, for the excellence of their presentation. Before I get into my prepared text, I should like to congratulate the hon. member for Port Arthur (Mr. Fisher) for his recommendation that we adopt the Chinese commune system. He spent a great deal of time quoting from this and that publication. He advocated controls of this and that and the other thing, and I shall take the trouble to inform the majority of my constituents that they are considered by the hon. member to be ignorant half-wits. I must congratulate the hon. member for Assiniboia (Mr. Argue) for having the intelligentsia of Saskatchewan concentrated in his constituency.

I should like to say a few words about my constituency of Yorkton in the province of Saskatchewan, whose economy is based solely on the successful operation of the primary industry of agriculture. The majority of the people are engaged in the production, processing and marketing of agricultural products. The balance are engaged in providing services of one kind or another to the different communities. Since the people in my constituency are, for the most part, self-employed, they are an independent and self-reliant group.

The city of Yorkton, which is nearly the geographical centre of the constituency, is our largest centre. Yorkton has been well

served over the years by competent aldermen. It is a well planned, clean and pleasant city, and one of the few in which you will find no slums and no shacktown on the outskirts. Yorkton is the distributing centre for that area of the province. The biennial international film festival, sponsored by the Yorkton film council, now has entries from some of the world's best documentary film companies. The golden sheaf award is becoming a prized international award.

The annual Yorkton fair and the autumn agricultural shows are outstanding because of the quality of the exhibits. They are to be congratulated for their success in national and international competition. The farmers of my constituency are engaged in the basic industry of agriculture. The steps taken by the government to implement a long term national agricultural policy, after years of a government with no policy, a government which drifted from one crisis in agricultural to another, are appreciated and are receiving support from the farmers. The practising farmer knows that only when he has a price set-up which will guarantee that the prices he is to receive will not be allowed to fall below a reasonable minimum, only when he has a system of crop insurance which will protect him from financial disaster when his crops are wiped out by natural hazards, can he plan his production to ensure a steadily rising standard of living. The long term national plan for agriculture introduced by this government is designed to bring about the conditions I have mentioned. The steps already taken to implement this plan are on the records of the house. The speech from the throne indicates that the government is proceeding in an orderly manner in the implementation of its agricultural policy.

The attention of the house has already been drawn to a statement in the current review of agricultural conditions in Canada, January, 1959, but I should like to repeat it for emphasis:

> Although both cash income and operating expenses advanced during 1958, the greater increase was in cash income and, therefore, realized net income was higher than in 1957.

The trend of 1957 was, therefore, reversed in 1958. This was gratifying. It means that, in general, farm costs rose more slowly than farm income and this widening of the margin between cost and income has eased the cost-price squeeze. The opposition, probably, does not like this because they went up and down the country preaching depression. One almost had the feeling that they would welcome economic disaster, no matter what the cost to the Canadian people, if it could further their own narrow political ambitions. It would not be the first time in the past 50 years that they have placed party before country.

This improvement in the position of our farmers resulted from legislation introduced by this government. The current review of agricultural conditions in Canada, January, 1959, states:

> Support activities under the Agricultural Stabilization Act, will continue to exert a stabilizing effect on farm prices and income.

I should like to draw attention to some of the members who were sitting in this house when this act was passed and their statements with respect to the value of the stabilization act. We shall do that in a proper place and at the proper time. The stabilization act was only one of the measures passed by this government to aid our agricultural community.

Mr. Speaker, the proposed measure to institute a system of crop insurance in co-operation with such provinces as so desire, is of great importance in the prairie provinces. We know only too well the financial loss of a farmer who has his crops wiped out by hail, frost, flood or other natural causes. The loss of a year's income is not lightly shrugged off.

The efforts of the government to sell more of our grain abroad is meeting with success. This action is bringing more cash to the wheat board and, particularly, to producers of wheat. The problem of deficiency payments was studied by the members from the wheat board area and it was studied from every angle. Several problems arose from their discussions. What benefit would the farmer who fed his grain to livestock derive from the plan? What benefit would the grain farmer who had his crop destroyed by hail, flood, et cetera, in one year or possibly in two succeeding years, derive from the plan of deficiency payments? What benefit would the small farmer who marketed a limited amount of grain derive from the plan?

I come from an area into which I can take you and show you permit books of farmers with 20 acres in wheat. What would such a farmer get out of deficiency payments? It began to become apparent that deficiency payments would be a bonanza for a few, and nothing for a great many. The acreage payment was an effort, and a successful one, to make the distribution of the money available fair to all the farmers in the area.

The cost of production on Canadian farms has been an elusive statistic. There appears to be no organization or government department that can provide such figures. The farm income and expenditures survey, a sample survey in nine provinces designed to

provide reliable estimates of (a) farm business income and expenditure and (b) farm family living expenses was carried out last November and December. The survey will be able to provide a clue to cost of production.

Transportation costs have always been a large factor in the cost of production and the cost of living in my constituency, and the proposal of the government to take steps to alleviate the discriminatory effects of the recent horizontal increase in freight rates is extremely welcome. Efforts are being made to increase the net income of the agricultural community, and one method is to lower costs. As I have said, the cost of transportation, both of the materials we need and of our products going to market, is a vital factor in our economy. The people of my constituency look to the St. Lawrence seaway to provide a means of cheap transportation. They feel that the only direct benefit that the seaway can be to us is to provide a cheaper method of moving goods.

My constituents are aware of the fact that many problems involved in the administration of the seaway and regulations for its use must be solved by agreement with the United States. On the other hand, they do not wish to see any group—either a group of ship owners or a labour union—in a position where they could by unilateral action increase shipping costs without regard to the welfare of the country as a whole. They ask only that there be free competition between the carriers using the waterway. I know that I can assure them that this government will see that their interests are protected.

The opposition have continued to try to justify their dark prediction of 1958. Unemployment is still a serious problem, but in the prairie region the situation has improved. I quote from the "Monthly Summary, Employment Conditions, Prairie Region, December, 1958":

> The seasonal increase in the number of persons seeking work during the month continued. However, at the month's end there were approximately 3,000 fewer persons registered for work than at the corresponding period last year and there were about 1,000 more unfilled vacancies on hand.

This is not a spectacular change, but it is in the right direction.

As a veteran, it is with pleasure that I welcome the proposed amendments to the Veterans Rehabilitation Act and the War Service Grants Act and, particularly, changes in the Veteran Land Act which give our veteran farmers certain opportunities enjoyed by their neighbours.

Before I close, Mr. Speaker, I should like to draw the attention of the hon. member for Hull (Mr. Caron) to the same publication, namely the monthly report on employment conditions in the prairie region. At page 200 of *Hansard* he produced some rather phenomenal figures, and indicated that his engineers had told him that the cost of winter work or winter construction was 12½ per cent higher, and that in fact it was not worth doing at all, it was so high. But using this publication I should just like to quote to him the comment. It is headed "Winter Employment Campaign, 1958-59", and it reads as follows:

> Winter Cost Myth Blasted
>
> The Regina school board received proof in December, that reports on excessive winter construction costs were unfounded.
>
> The board, in considering a quarter million dollar extension to two schools, mindful of possibilities to provide winter work, asked contractors to submit separate bids for winter and summer work.
>
> "The small difference in cost is surprising", commented the board's public relations director. Earlier the board believed the additional expense for winter work would amount to from 10 to 15 per cent. However, the three lowest bids quoted winter work only 1.3 to 2.3 per cent higher than summer costs.

I would not suggest to the hon. member for Hull that he send his engineers there but I would suggest that he might pay a visit to Regina and find out how to get cost figures.

(Translation):

Mr. Marcel Boivin (Shefford): Mr. Speaker, in opening my remarks, I should like to call your attention to the fact that we are celebrating, this year, the centenary of my native city which, from the point of view of population and industry, is the greatest centre of the constituency I have the honour to represent in this house. In fact, last Saturday, January 17, my fellow-citizens of Granby have marked at the city hall the official opening of these festivities, commemorating a century of progress.

On studying history, we note that as far back as 1825, a community had gathered in a certain territory of the township of Granby, as the result of the setting up of a fur trading post by Mr. Richard Frost. Mr. Frost settled on a concession bought from an agent of the governor, and which had belonged to Mr. Hugh McQuarters, one of Colonel Cadwell's associates, to whom the township of Granby had been awarded in 1803. Little by little, that community grew, as the settlers had set up various business establishments and industries. Then, these gentlemen asked that this territory be incorporated into a municipality.

In 1857, 38 of those village dwellers signed, in accordance with the law, a petition which was first referred to the council of Shefford, and then to the provincial secretary for submission to the legislative council. The petition was then approved and, on July 1, 1858, a proclamation was issued by the Governor General of Canada, incorporating into a municipality the village of Granby. That proclamation came into force on January 1, 1859 and, on January 17, of the same year, the first elections were held. It is that event that we wanted to celebrate on the same date this year. We wanted to pay tribute to the first mayor of Granby, Mr. Patrick Hachett, as well as to his successors who contributed to the progress of that city in the municipal field, and to our ancestors who preceded us in their respective fields.

During the year, Mr. Speaker, several ceremonies will mark that event. So I should like to offer my most sincere congratulations to those who took this initiative. Their task will be heavy, and I wish them much success. That being said, I invite you, together with my colleagues, to pay us a visit; as soon as you arrive, you will be given the centenary souvenir tie similar to the one I am wearing now. You will receive from the citizens of Granby a cordial welcome, and you may believe me when I say that if you pay a visit to the city called the "princess of the eastern townships" it will be considered as a great honour for each one of our fellow-citizens.

Mr. Speaker, I join with my colleagues in extending a cordial welcome and sincere congratulations to the member for Grenville-Dundas (Mrs. Casselman). It is true that the Right Hon. Louis St. Laurent had himself introduced his son, but the introduction of this new member is something unique since confederation. In fact, this is the first time that the Prime Minister, accompanied by the father of the newly elected member, introduces that member to the house.

I would also like to extend the warmest welcome to the hon. members for Montmagny-L'Islet (Mr. Fortin) and for Springfield (Mr. Slogan.

I now come to the last member who was introduced. I want to express my congratulations again and extend a warm welcome to my colleague for Trinity (Mr. Hellyer) who, after a short absence, has come back to his seat in this chamber.

Before I go on with my speech, Mr. Speaker, I feel it is my duty to report to the house the decease of the Hon. Jacob Nicol, the former representative of the senatorial division of Bedford, which includes the constituency I have the honour to represent. He had many friends among us, and I am sure that on September 23 last, many were shocked, as I was, to learn that this eminent figure would no more be seen in Ottawa and in the eastern townships. He was born at Roxton Pond, which is located both in my constituency and in the senatorial district that he represented. He first practised in Waterloo, the chief town of the constituency, and later moved to Sherbrooke. He gradually rose to the various levels of public life, serving as a member of the provincial legislature, provincial treasurer, and legislative councillor. He held the post of president of the newspapers *Le Soleil, l'Evenement, le Nouvelliste de Trois-Rivieres and La Tribune de Sherbrooke;* he was vice president of the Banque Canadienne Nationale and of the General Trust of Canada, and a director of several firms. He was appointed to the Senate in 1944. He rendered numerous and important services to many of us, through his advice or otherwise. He disliked publicity but enjoyed giving friendly help. His memory will long live in the minds of many of us. Let us hope that those who gained from his counsel will, in turn, render the same services to others. That is how he would have wanted it. To his wife, his next of kin and his many friends, I offer my most sincere sympathy.

I followed and also closely read the speech from the throne. Reference is made to the visit to be made to this country by Her Gracious Majesty the Queen and His Royal Highness Prince Philip, on the occasion of the official opening of a project that was started, and for the most part carried out, by the Liberal government: the St. Lawrence seaway. We extend to them, as guests of this country, our most cordial welcome.

His Excellency also mentioned the stops made by the Prime Minister (Mr. Diefenbaker) in the capitals of the countries he recently visited. I hope that the talks he had on the possibilities of extending trade will lead to something brighter than the prospect of employment for our unemployed in Canada, both during his absence and for the past eighteen months. May I add, Mr. Speaker, that the Prime Minister has given more hope and encouragement to the people of India than to the people of Canada.

It is a fact that all Canadians recognize the necessity of a lasting peace. There is nothing new in this, because the ex-prime minister, the Right Hon. Louis St. Laurent, said on many occasions that we had to meet the problem and that the amounts that we were paying to save peace were like an insurance premium for the security of our people. I had the occasion to see for myself that it was worth the trouble when I had the honour to attend, in your company, Mr. Speaker, and in the company of my colleagues of the house, the conference of the parliamentary association of NATO countries, at the Palais de Chaillot in Paris last November. I realized it even more, when we visited our airmen and our soldiers in France and Germany.

The speech from the throne mentions the measures that were taken in view of reducing unemployment by speeding up the national works programs.

We will be asked to approve a bill to assist the municipalities of Canada to undertake public works; I wonder if this aid will really be useful to the municipalities since they will receive grants only for winter works that will cost fabulous sums.

Now, I would like to congratulate the hon. member for Levis (Mr. Bourget) for the speech he made yesterday on that subject and also for his suggestions.

I am told that the city of Granby intends to undertake its works only in the first week of April. What will the city be able to do in only three weeks, the closing date of the agreement being April 30? What will the unemployed do in the meantime, and after that date?

The government is said to be pleased at the prospects of an economic upswing.

We depend much on the project I mentioned a few moments ago, which was undertaken by the Liberal government. I read quite recently a report of a press conference given by Hon. George Drew, Canadian High Commissioner to the United Kingdom, on his return to London after a one month visit to Canada. This report was published on January 20 on page 15 of the Montreal newspaper *La Presse*, and I quote:

> No doubt unemployment is now a very serious problem, but the situation cannot fail to improve if we consider the important works to come: works and projects which result for a large part from the St. Lawrence seaway. One can see already (added Mr. Drew), the building of new houses, new apartment blocks, new business establishments, new shopping centres, which will serve the municipalities along the new seaway, and no doubt the activity will increase in shipbuilding and naval construction; "we have not yet entered our true growing period" said Mr. Drew.

Mr. Speaker, the government should not count exclusively on that project initiated by the Liberals to assure prosperity in the country. I would hope that one day the government will wake up and will adopt legislative measures calculated to promote prosperity, because the project I just mentioned can only help.

It is with pleasure that I heard that we would be asked to make a general study and review of the farm credit legislation, in order to make it more efficient and more useful to the development and the maintenance of a sound and prosperous agriculture. Believe me, Mr. Speaker, as a representative of an agricultural constituency, that proposition pleased me very much. However, I hope that the Minister of Agriculture (Mr. Harkness), who is from the west, will realize one day that there is in the east, in Ontario, in Quebec and in the maritimes, a certain number of farmers who deserve to be remembered. I believe particularly that the country should remember that our fellow-citizens were attached to their land long before the buffalo disappeared from western prairies.

The government will ask us to introduce certain amendments in the legislation concerning business practices. We should hope that section 34 of the Combines Investigation Act will be repealed because now a great number of dealers take advantage of that section to offer items at prices so low that they really amount to loss-leader sales being used as a lure to bring in customers and kill or greatly reduce any honest competition.

Mr. Speaker, the hon. member for Montmagny-L'Islet (Mr. Fortin) stated, like his colleagues, that the financial situation in our country is not, in their opinion, alarming at all, and he paid a tribute to the Minister of Finance (Mr. Fleming) when he said, among other things, that he was rather particularly trained for the responsibility which is now his. That reminded me that the minister had the gift of speech rather than that of figures, because, as you will remember, during his last budget speech, he spoke during two hours and ten minutes and said nothing.

After the election campaign conducted by the Prime Minister (Mr. Diefenbaker) in the course of which he promised to cut expenses and lower taxes, it is only logical that we should expect something more than an endurance test. I still remember the Prime Minister stating in the house, when he was in

the opposition, that a promise made by a political leader should be kept. Well, Mr. Speaker, that war-cry calling for a reduction in expenditures and in taxes is not a new one; it is an old one that was uttered by the present Prime Minister as far back as 1946 when he was representing the constituency of Lake Centre. At page 3329, he is reported as saying:

> I say that the time has come for a reduction in expenditures, where they can be made. I do not think anyone would insist that taxes will assure prosperity or increase incomes. When you continue war-time taxation to the extent that taxation is now being continued into the days of peace, it has the effect of harassing business and hamstringing the possibility of providing jobs in Canada at the present time.
>
> It is doing more. It is reducing the standard of living of our people to an extent never before known in this country.

He waited for a long time, but he has now been in power for 18 months. What is he waiting for to carry out what he has been preaching for so long?

As for the Minister of Finance, who also supported the Prime Minister during the two last election campaigns when he was making promises that he could not or would not fulfil, I must say, Mr. Speaker, that the result of his present attitude will be the same as the one he predicted himself once when he stated, as reported on page 95 of *Hansard* of September 11, 1945:

> In the next place, the government has been doing far too much talking about what it intended to do in the realm of housing, leading the people of Canada to expect great things. The fact of the matter is that, unless they have something which they have not yet shown this chamber, they cannot possibly hope to fulfil the promises they made to the people, and many thousands of people, disappointed Canadians, are going to be living under conditions of great hardship this winter because of the failure of the government to make good and fulfil its undertakings to the Canadian people.

If no action is taken immediately, Canadians will be in serious trouble not only this year but also in the next four years, i.e. until the party to which I belong comes back into office at the next election.

The hon. member for Muskoka, Ontario, was an able financial critic of the opposition when he sat on this side of the house, if we judge by the applause from his supporters after his speeches. The member for Muskoka, who now represents Greenwood (Mr. Macdonnell), hoped to be minister of finance. Because of his age and out of consideration for the services he had rendered and his knowledge, he has been appointed Minister without Portfolio. To resort to his good offices, I think that the Prime Minister who showed consideration for his past experience when appointing him minister, should re-read an excerpt from one of his addresses to ascertain what he thought of a government such as his government today.

Again, I call your attention, Mr. Speaker, to the debates of the House of Commons of October 1945, where I find the following remarks:

> I submit that no attempt is made to let the people of Canada and this house know in an intelligible way what their position is.
>
> Is it an unreasonable request? In answering that, I should like to bring to the attention of the house this fact. The other day in England a business man, representing I believe, the chamber of commerce asked the government this question: "Will the government disclose to the country the general outline of its financial proposals for the whole of the next five years?" Hon. members might say that this is going pretty far; nevertheless the chancellor of the exchequer, Doctor Dalton, although I am not sure that it was in answer to this question, said to a public gathering in London recently:
>
> We can follow, through the years immediately ahead, a consistent and developing financial plan.
>
> That is all I am asking. I submit that these figures must be in the possession of the Minister of Finance. It is not conceivable that he has not talked about these things; it is not conceivable that he is not ready to look down the alley. We should know where we are going. Can it be that we are to be kept in a state of tutelage? Is this another instance of what we might call order-in-council government, against which some people in this house have protested? Is there anything in that? Whatever the reason is, I contend that there is no objection to our being given figures at this time. When the war was on, of course, we could not ask for these figures. There was no means of projecting the war expenditures then. I submit, with confidence, that the minister must now be able to calculate, with considerable accuracy, subject to coming back later and saying some of the figures must be altered, how much these war expenditures will come down next year, how much the year after that, and so on. If any businessman came to an annual meeting of his company, showed a deficit of the kind and gave no picture of the future, he would either be sacked on the spot or told to go back and prepare an intelligible picture.

Mr. Speaker, unless the government heeds those remarks of the hon. Minister without Portfolio (Mr. Macdonnell), I am sure that the Canadian taxpayer who, in this case, is the company, will fire the Conservative government as soon as he has a chance to do so.

Mr. Speaker, I must congratulate our Leader of the Opposition (Mr. Pearson) on his speech. I am sure that his remarks displeased many members of this house. He was criticized for having smiled when he made his speech. There has been so much confusion in the government policy, even when the government tried to substantiate it with evidence,

and this goes also for its contradictions, you will admit, Mr. Speaker that many would have smiled at less. He told us about the trip of his predecessor the Right Hon. Mr. St. Laurent who had already been prime minister for six years. This reminded me that the national anthem "O Canada" had been played in many countries where he visited. The day after his return, on March 17, 1954, he confirmed the fact in his report to the house.

I would admit that I am quite anxious to hear the Prime Minister comment on his recent tour in order to see if he was also welcomed with the national anthem which we are so anxious and eager to see adopted by the house. I would also like to add that it would be a good idea if the ministers who have travelled quite a bit since their party took office should report on their trips to the house. Let us hope that their reports will be brief, otherwise this session will last a long time.

The limited time at my disposal precludes me from discussing the situation of the industry known as the rubber footwear industry. I hope the government will reconsider the fact that this industry needs some protection, if it is to survive.

My colleague, the hon. member for Drummond-Arthabaska (Mr. Boulanger) has brilliantly described the situation of textile products. I fully support his arguments, even though I am not, as he is, a member of the committee of members from the eastern townships.

The Minister of Trade and Commerce (Mr. Churchill) has stated that the timid attitude being displayed in regard to our trade relations with the United States is due to the policies followed by the leader of the opposition when he was secretary of state for external affairs. That was obviously not the feeling of the judges who awarded the Nobel prize to Mr. Pearson for the admirable way in which he conducted our diplomatic relations with other nations when he held the office of secretary of state for external affairs. I think it will be a long while before such a tribute is paid to a member of the Conservative government.

As a matter of fact, we could put together the Minister of Trade and Commerce and the Secretary of State for External Affairs (Mr. Smith), and both of them would barely reach the stature of our leader in the international field.

I should like to draw your attention to the fact that a few weeks ago I had the honour to attend the opening of the winter job campaign in Granby; I learned then that there was much to be done in that field, even though the representatives of the government state, in lengthy speeches, that there has been a drop in unemployment.

On December 31, 1958, there were, in the neighbouring municipalities of Granby 834 men and 217 women, that is 851 persons who had applied for benefits to the unemployment insurance office in Granby. There were in that city 1,610 men and 906 women, that is 2,516 persons who had already applied; it means that there was a grand total of 3,367 persons out of work. In 1958 the U.I.C. office in Granby paid out $1,536,342.70 and government supporters would have us believe that the recession is over. Mr. Speaker, the number of applicants, at December 31, 1957, for Granby and vicinity was 3,417, and the Conservatives will say there is a decrease of 104 applications, but I will deny that. We have new industries, and there should of course be fewer unemployed; however the number of unemployed has increased; there are all those who could not find a job during the year and are not entitled to additional allowances and, for the same reason, are not registered. That reminds me of the pamphlet entitled: "What Diefenbaker has done to fight unemployment in Canada". Going through it, you will find that it contains blank pages, which shows that he has done nothing. This leaflet, which was distributed during the last election campaign—I got a copy at the time—is of even greater interest today.

Mr. Speaker, may I suggest that we adjourn.

(Text):

Mr. Hees: Mr. Speaker, may I call it six o'clock?

Mr. Speaker: The hon. member who has the floor has already called it six o'clock and asked to adjourn the debate.

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

Questions

ANSWERS TO QUESTIONS

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

N. H. A.—AGENCY FORECLOSURES

Question No. 17—**Mr. Fisher:**

1. Were there any foreclosures instituted by any agencies holding mortgages under the National Housing Act in 1958?

2. If so, what were the agencies, the number of such mortgages and their total value, by provinces?

3. How many years had these various mortgages, so foreclosed, been in effect?

Answer by: **Hon. Howard C. Green (Minister of Public Works):**

(1) Yes.

(2) and (3) Details in schedule below:

(a) Foreclosures by Approved Lenders

Province of Alberta	Province of Ontario	Province of Quebec
(1) Amount: $7,984. Date of Mortgage— October 1955 Agency—Imperial Bank of Canada		(1) Amount: $8,000. Date of Mortgage— January 1956 Agency—Bank of Montreal
	(1) Amount: $9,000. Date of Mortage— June 1955 Agency—Sun Life Assurance Company of Canada	(2) Amount: $10,760. Date of Mortgage— June 1956 Agency—North American Life Assurance Company
	(2) Amount: $10,000. Date of Mortgage— May 1955 Agency—Mutual Life Assurance Co. of Canada	(3) Amount: $10,200. Date of Mortgage— October 1955 Agency—Prudential Insurance Co. of America
	(3) Amount: $8,571. Date of Mortgage— April 1954 Agency—London Life Insurance Company	(4) Amount: $8,500. Date of Mortgage— January 1957 Agency—Imperial Life Assurance Co. of Canada
(b) Foreclosures by C.M.H.C.		
	(4) Amount: $2,795. Date of Mortgage— October 1956	(5) Amount: $11,018. Date of Mortgage— March 1958
	(5) Amount: $8,900. Date of Mortgage— October 1957	(6) Amount: $8,460. Date of Mortgage— February 1953

Totals (1) $7,984.00 (5) $39,266.00 (6) $56,938.00

NOTE: The above cases, concerning Approved Lenders, were all those reported to C.M.H.C. up to January 19, 1959.

UNEMPLOYMENT INSURANCE—SEASONAL BENEFIT CLAIMS

Question No. 33—**Mr. Martin (Essex East):**

1. How many persons established seasonal benefit claims for the period from 1st December, 1957 to 30th June, 1958, both dates inclusive?

2. What was the aggregate amount of the seasonal benefits paid during that period?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. The number of seasonal benefit claims established during the period 1 December, 1957 to 30 June, 1958, was 455,622.

2. The amount of seasonal benefit paid during that period is calculated to be $100,157,638.

HOUSE OF COMMONS

Thursday, January 29, 1959

The house met at 11 a.m.

CANADIAN PACIFIC STEAMSHIPS

BRITISH COLUMBIA—ANNOUNCEMENT OF SETTLEMENT OF STRIKE

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I should like to make an announcement that I am sure will be of interest to every member of this house. The best way in which I can do it is by reading a telegram that I received approximately half an hour ago. It reads as follows:

I am pleased to report that due to the willingness of all parties to make concessions the disputes between Canadian Pacific Railway Company, B.C. Coastal Steamship Service and seafarers international union, national association of marine engineers and Canadian merchant service guild have been settled. In my presence representatives of the parties have accepted and signed terms of settlement involving collective agreements which will continue in effect until August 31, 1961. Accordingly the provision for arbitration contained in the British Columbia coast steamship service act need not be implemented.

Eric G. Taylor
Industrial Inquiry Commission

POWER

COLUMBIA RIVER—ANNOUNCEMENT OF REFERENCE TO INTERNATIONAL JOINT COMMISSION

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, I desire to make an announcement the text of which has been agreed to by the governments of Canada and the United States for simultaneous release today. This announcement reads as follows:

The governments of the United States and Canada have been engaging in discussions relating to the mutually advantageous development of the waters of the Columbia river basin which cross the boundary.

In the course of these discussions it has seemed desirable to pursue as rapidly as possible the exploration of the various technical problems which bear on the formulation of comprehensive principles. For that purpose and to implement such discussions the governments of Canada and the United States have announced that identical letters were sent today by each government to the two sections of the international joint commission requesting the commission to report specially to governments at an early date its recommendations concerning the principles to be applied in determining:

(a) the benefits which will result from the co-operative use of storage of waters and electrical interconnection within the Columbia river system; and

(b) the apportionment between the two countries of such benefits more particularly in regard to electrical generation and flood control.

This request was made in furtherance of the reference of 1944 to the commission on the Columbia river in order to emphasize the need for an early report from the commission on the specific problem of the allocation of benefits to be derived from the co-operative development of the Columbia river system.

The report of the international Columbia river engineering board will be received by the international joint commission early in March of this year and will be considered at a meeting which will be held in camera in Chicago beginning March 16.

In the meantime, various related matters will continue to be discussed through diplomatic channels.

The letters were delivered by hand this morning to the respective sections of the international joint commission in both capitals, and I think we may rest assured that the commission will report to governments as soon as possible.

NATIONAL HOUSING ACT

AMENDMENT INCREASING AGGREGATE AMOUNT AVAILABLE, ETC.

Hon. Howard C. Green (Minister of Public Works) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the National Housing Act, 1954, to increase from seven hundred and fifty million dollars to one billion dollars the aggregate amount that may be paid out of the consolidated revenue fund under subsection 1 of section 22 of the act, and to remove the limitation on the amount thereof that may be advanced to the corporation for the purposes of subsection 1 of section 11 of the said act, and to provide further for certain changes in connection with the administration of the act.

Motion agreed to.

TRADE

REPORTED IMPOSITION OF DUMPING DUTIES ON DEFECTIVE GOODS AND REMNANTS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of National Revenue if the report is accurate that new dumping duties have been or will shortly be applied on second-hand or defective goods and remnants. If the report is accurate, what section of the Customs Tariff Act will be used for

this purpose, and will these duties be applied to imports from the United Kingdom as well as from other countries?

Hon. George C. Nowlan (Minister of National Revenue): I have not the act in front of me. I saw the report a moment ago. It was in the press this morning and someone drew it to my attention. It is true that I signed orders some weeks ago applying dumping duties to seconds, odd lots and second-class goods. I have not the act here but I will check today and will give a specific answer as to the section.

Mr. Pearson: I thank the minister for his reply. May I ask him whether he would be willing to table the documents concerned?

Mr. Nowlan: The only documents were a confidential memorandum from my deputy minister to myself and the order I signed, which has appeared in the *Canada Gazette*.

[*Later:*]

URANIUM—INQUIRY AS TO AGREEMENTS FOR SALE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Trade and Commerce a question which he perhaps would take as notice if he does not have the information at hand.

In view of the fact that present regulations limit Canadian producers to a maximum sale of 2,500 pounds of uranium to any country not having a bilateral agreement with Canada, what efforts are being made to conclude agreements with other countries in the form in which we now have agreements, and what countries are involved in these negotiations?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, there is a widespread interest with regard to this subject, and I will accept the suggestion of the Leader of the Opposition to take this question as notice and make a complete statement in the course of a day or two.

IMMIGRATION

MR. AND MRS. RAOUL ARTHUR ROLLING—STAYING OF DEPORTATION ORDER

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister. Can the Prime Minister say whether the governor in council has under consideration a petition on humanitarian grounds for the staying of the deportation order affecting Mr. and Mrs. Raoul Arthur Rolling and their two children, formerly of the Duchy of Luxembourg, who have been living in this country since 1949? I might add that Mr. Justice Rand recommended that this step be taken some time ago.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in the first place I am not the minister of that department and, in the second place, I have no personal knowledge regarding this matter but will take the question as notice.

LABOUR CONDITIONS

REQUEST FOR STATEMENT ON WINTER WORK PROJECTS

On the orders of the day:

Mr. J. R. Taylor (Vancouver-Burrard): I wonder whether I might direct a question to the Minister of Labour with respect to the federal government's winter work projects and assistance program. Will the minister give by provinces the number of projects approved under the program and the estimated cost of the projects?

Some hon. Members: Order paper.

Mr. Speaker: I think that question might more properly be placed on the order paper. Is there a supplementary question?

Mr. Taylor: No, Mr. Speaker. I have another question for the Minister of Transport.

REQUEST FOR EXTENSION OF FEDERAL WINTER WORK PROGRAM

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Labour. Could the minister say whether the government has considered an extension of the winter work program as suggested by Mr. George S. Mooney, executive director of the Canadian federation of mayors and municipalities, arising out of his statement that municipalities are caught in a squeeze between the mounting costs of direct relief and high interest rates on their capital borrowing?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, Mr. Mooney has not forwarded that suggestion to us and it has not been brought to our attention. At the moment we are not contemplating any changes in the municipal incentive program.

COAL

NOVA SCOTIA—INQUIRY AS TO ACTION TO PREVENT LAY-OFFS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I should like to direct a question to the Minister of

National Revenue. As the cabinet representative from Nova Scotia, will the minister advise the house if any action is contemplated by the government between now and the week end to forestall the lay-off of 4,000 coal miners in Nova Scotia to take place after tomorrow's shifts, as was announced this morning?

Hon. George C. Nowlan (Minister of National Revenue): No action is contemplated by the government at the moment. The premier of Nova Scotia was in touch with me this morning by telephone, following the conference yesterday to which the hon. member referred in his question yesterday. The premier, as the hon. gentleman knows and as has appeared in the press, has agreed to come to Ottawa with a delegation in the relatively near future. He was discussing with me a suitable time in the future when he could come and be able to see the members of the government. I will be in touch with him later today after consultation with some of my colleagues, and we will arrange a convenient time within the next few days when the conference can be held.

THE CANADIAN ECONOMY

ROYAL COMMISSION ON ENERGY—INQUIRY AS TO FINAL REPORT

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I should like to direct a question to the Prime Minister. Can he advise the house as to when we may expect the Borden commission report?

Right Hon. J. G. Diefenbaker (Prime Minister): I have no information on that at the moment. I will make inquiries and ascertain.

Mr. McIlraith: Is it anticipated that the legislation forecast in the speech from the throne with respect to the setting up of a national energy commission will be proceeded with before the report is tabled, or are the two linked together?

Mr. Diefenbaker: There was a preliminary report which made certain recommendations, and among them was the one in question. I think it can be taken for granted that it is the intention to proceed with the bill without regard to the final report on other matters not connected therewith.

CANADIAN NATIONAL STEAMSHIPS

REQUEST FOR FURTHER INFORMATION ON SALE OF VESSELS TO CUBA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, for the enlightenment of the house and the country I wish to address a question to that nimble batter on a sticky wicket, the Minister of Transport.

My question refers to the announcement by the minister on August 12 last of the sale of eight ships by the Canadian National (West Indies) Steamships, Limited to foreign interests for $2,800,000. In view of the minister's reply on the same day to a question asked by the hon. member for Laurier to the effect that the minister had "simply made an announcement of a transaction which had been successfully and well completed by Canadian National (West Indies) Steamships," can the minister inform the house if this sale of ships—which many consider to be a saturnine sale—has been successfully and well completed?

Hon. George H. Hees (Minister of Transport): I wish to thank the hon. member for having given me notice of his question. Yes, Mr. Speaker, the management of Canadian National Railways advise me that the security is sound and that they have no cause to be concerned. The payments are secured by letter of credit issued by the Banco Cubano del Commercio Exterior, and confirmed by the Bank of America International.

CANADIAN BROADCASTING CORPORATION

MONTREAL—SUGGESTED INTERVENTION OF MINISTER IN LABOUR DISPUTE

On the orders of the day:

Mr. Gerard Loiselle (St. Ann): Mr. Speaker, I wish to address a question to the Minister of Labour. In view of the discussions which have taken place in the last few days, is the minister now willing to intervene in the dispute between the Canadian Broadcasting Corporation and its producers in Montreal either personally or by appointing a commission of inquiry, as section 56 of the act enables him to do?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, my position with regard to this dispute has not changed from what it was the other day when I met the representatives of the producers.

[*Later:*]

(Translation):

Mr. Gerard Loiselle (St. Ann): Mr. Speaker, after the answer that the Minister of Labour gave me a few minutes ago, I should like to ask a question of the Solicitor General. Since the beginning of negotiations between the C.B.C. and the Montreal producers a few days ago, has the Solicitor General proposed the appointment of an industrial inquiry commission as allowed under section 56 of the Industrial Relations and Disputes Investigation Act?

Inquiries of the Ministry

(Text):

Mr. Speaker: I think it is a basic principle that questions should relate to matters under the jurisdiction of the minister concerned, and its seems to me that the question the hon. member has just asked relates to a matter which is not the responsibility of the Solicitor General.

TAKING OF OATH OF OFFICE BY MEMBERS OF THE BOARD

On the orders of the day:

Mr. Augustin Brassard (Lapointe): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. Is the minister now in a position to answer the question raised yesterday by the hon. member for Laurier, which the minister took as notice? The question was as follows:

Could the minister tell us whether anyone has attended the meetings of the board of directors of the C.B.C., as a director, and the meetings of the executive committee, as a member of that committee, without having taken the oath of office in accordance with article 22, paragraph 6 of the Broadcasting Act?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I am advised by the corporation that all the directors took the oath of office.

INDUSTRY

BOUNDARY BAY AIRPORT, B.C.—INDUSTRIAL DEVELOPMENT PROBLEMS

On the orders of the day:

Mr. J. R. Taylor (Vancouver-Burrard): With respect, Mr. Speaker, I do feel that there is a degree of urgency with regard to this question which I address to the Minister of Transport.

In view of the proposed industrial development near the site of the Boundary Bay airport, and in view of the proposal of the Department of Transport to the city of Vancouver regarding the reactivation, administration and operation of this airport, would the minister be prepared to meet in Ottawa the appropriate aldermen of the city of Vancouver to discuss with them the many problems arising from the proposal and the proposed industrial development?

Hon. Georges H. Hees (Minister of Transport): Yes, Mr. Speaker, I will be very glad to discuss the matter with those gentlemen.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO AMENDMENTS RECOMMENDED BY RAILWAY EMPLOYEES

On the orders of the day:

Mr. W. L. Houck (Niagara Falls): May I direct a question to the Minister of Labour. In view of the fact, as reported in this morning's *Gazette,* that government spokesmen gave assurances to the representatives of the railway employees that amendments to the Unemployment Insurance Act would meet in the main the demands of labour, would the minister now also take this house into his confidence and confirm the statement which the government's spokesmen made outside the house?

Hon. Michael Starr (Minister of Labour): The article to which the hon. member refers has not been brought to my notice, but yesterday representations were made by this group to the Prime Minister and members of the cabinet. Among these were a number of recommendations with regard to the Unemployment Insurance Act, and at that time I made the remark that some of these recommendations were now being considered as possible amendments to the act.

HOUSING

CENTRAL MORTGAGE AND HOUSING—ADDITIONAL FUNDS FOR LOWER PRICED HOMES

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I wish to direct a question to the Minister of Public Works. Will there be any changes in the present regulations to ensure that a greater portion of the additional funds being made available through Central Mortgage and Housing Corporation will be channelled into lower priced homes?

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, I believe this question can best be answered when the resolution with respect to the National Housing Act is under consideration next week.

CIVIC DEFENCE

INQUIRY AS TO AVAILABILITY OF ABRIDGED REPORT

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare relating to the Graham report. Has the government considered or is it considering making available to hon. members of this house a partial or abridged version of this report?

Hon. J. W. Monteith (Minister of National Health and Welfare): No consideration is being given to that at the moment, Mr. Speaker.

AGRICULTURE

ATTENDANCE OF MINISTER AT SASKATOON MEETINGS OF CANADIAN FEDERATION OF AGRICULTURE

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I wish to direct a question to the Minister of Agriculture or in his absence to his "might be" parliamentary assistant, or to the acting minister. Is the Minister of Agriculture attending meetings of the Canadian Federation of Agriculture presently taking place in Saskatoon?

Hon. Gordon Churchill (Acting Minister of Agriculture): Mr. Speaker, in the absence of the Minister of Agriculture I shall take that question as notice.

EXTERNAL AFFAIRS

CANADA-U.S.—SUGGESTED MEETINGS DURING VISIT OF MINISTER OF JUSTICE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Prime Minister. Can the Prime Minister say whether consideration has been given to the possibility of the Minister of Justice, when he is in Washington, in addition to meeting his counterpart, United States Attorney General Rogers, meeting with representatives of the House of Representatives and the Senate on appropriate committees dealing with legislation respecting which the Minister of Justice is making representations? I feel that since the law in the United States—

Some hon. Members: Question.

Right Hon. J. G. Diefenbaker (Prime Minister): I feel, Mr. Speaker, that ordinarily those particular bodies would not welcome the intrusion of anyone without their invitation, but the Minister of Justice will make such representations as are necessary in the proper quarters.

Mr. Argue: A supplementary question, Mr. Speaker. Would it not be just as proper for the Minister of Justice to meet with these people as it was for a parliamentary delegation to do so, which I thought was a very good move?

Mr. Diefenbaker: It no doubt was a very good move, but it was on the invitation of these people that the meeting took place.

Mr. Argue: I thought it was at the Prime Minister's suggestion.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, January 28, consideration of the motion of Mr. W. H. Jorgenson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Pearson.

(Translation):

Mr. Marcel Boivin (Shefford): Mr. Speaker, when the house rose yesterday evening, I was about to say that, so long as the government persists in procrastinating, the opposition will play its role in this debate; however, we are prepared to vote on the motion right away, and to go on with the business of the nation.

Mr. Speaker, there are many subjects about which I would have liked to deal in the course of my speech, but since my time is about to expire, I shall deal with a subject very much in the news these days: that of our national emblem, which, incidentally, I first advocated in this house, on July 11, 1946. Personally, I am still in favour of a purely Canadian flag, and I hasten to give my reasons for claiming a distinctive flag. Due account must be taken of certain factors which have not yet been pointed out. First, we should remember that a flag should represent, above all, the sovereignty of a country; second, that the sovereignty of a country resides in its parliament which is composed of the Queen, the Senate and the House of Commons. Another point to note is that the place of honour on a flag is in the upper part, near the staff. Thus, the Union Jack represents the sovereignty of the British government, and this is, in any case, what is wanted by some people, in particular the premier of Ontario.

May I tell you, Mr. Speaker, that the matter of a national flag is not a responsibility of the province of Ontario or of any other province, but a direct responsibility of the federal government and of the federal parliament.

If, as on the red ensign, the Union Jack on a red background were to remain in the inner upper corner of the flag—therefore, in the place of honour—we would thereby admit the sovereignty of the English parliament over ours, which, to any well-informed person, would seem a formidable mistake, especially since the adoption of the statute of Westminster in 1931, when recognition was given to the sovereignty of Canada and of other commonwealth countries which then had dominion status.

We should also avoid committing the error of reproducing on this flag, such symbols as the fleur-de-lys, the maple leaf, the beaver, the sheep, or other symbol of any kind.

A flag has nothing to do with a coat of arms: no symbol should be attached to it, because it is, in fact, a recognition of sovereignty.

Generally, the best flags merely consist of three or four bands of colour to which no particular meaning is attached.

I noted during my recent trip to France that the French display with pride and respect the red, white and blue flag of the French republic. Why, for instance, can't we have a simple flag with three or four stripes of colours other than those used by other nations, naturally, and if, in spite of everything, we want to add certain symbols, we could include a white stripe to symbolize the snow which covers our country during half the year, a blue stripe to symbolize the three oceans which surround our continent, a yellow stripe for the golden wheat of the prairies and a red stripe which would symbolize the colour of the uniforms of Wolfe's soldiers, on the Plains of Abraham.

In my view, Mr. Speaker, that would be much better than the thousands of designs suggested to the committee that looked into this matter a few years ago, designs which included all the animals of creation, all the stars in heaven, and as many maple leaves as are found in all the sugar bushes of my province, not to mention lines running from the northwest to the southwest, counter to all concepts of an honourable symbol of a country that glories in the legitimacy of its sovereignty.

Mr. Speaker, may I take this opportunity to thank all Canadians who submitted to the committee a design of their preferred flag. The contributions were numerous and sincere, which means that, in addition to those people, every true Canadian expects parliament to choose a distinctive flag that will enjoy the place of honour in Canada, the most beautiful country of the world.

(Text):

Mr. Speaker: Order. Before the minister takes the floor, may I say that while I have not considered it out of order to discuss the flag question in this debate, as several members have done, I think I should say that if and when the same subject is reached on the order paper I would not take kindly to a repetition of these speeches at that time.

[Mr. Boivin.]

Hon. George H. Hees (Minister of Transport): Before I commence my remarks on my main theme, Mr. Speaker, I should like to join with the many other members of this house in offering my congratulations to the hon. member for Provencher (Mr. Jorgenson) and the hon. member for Montmagny-L'Islet (Mr. Fortin) upon the excellent speeches they gave in moving and seconding the address in reply. These speeches were positive, constructive and well delivered. The people of their constituencies have every reason to feel proud of the young men they have sent to Ottawa as members of parliament, and who are conducting themselves in such an admirable fashion. Like so many other speeches that have been delivered in this house during this and past sessions by men and women who support the government, these two speeches are indicative of the reason that the Conservative party is today the party of youth as well as the party of the people.

As I said, these speeches were positive and constructive. I only wish I could say the same thing for the next speech we heard in this house, the speech of the Leader of the Opposition (Mr. Pearson). This speech was filled with criticism, and it contained nothing as an alternative to the methods and the measures which the Leader of the Opposition criticized so strongly. Since the Leader of the Opposition had had four months in which to prepare his speech we had been looking forward to a speech which would let us know the Liberal approach to the problems that are facing the country today. We had been expecting, in addition to the normal criticism which one always expects from the Leader of the Opposition and which it is his duty to make, to hear some positive suggestions concerning how the Liberals would run the country if they were the government today. However, the opposition today appears to be just as devoid of positive suggestions as it has been during the past two sessions.

In our democratic form of government, Mr. Speaker, the opposition has two responsibilities. The first responsibility is to oppose, and point out, if it can, the shortcomings of the government and the government's program. The present opposition is trying desperately hard to do this, but they just do not seem to be able to get the proper facts and figures assembled at the one time to enable them to do so. These figures they get from the Martin statistical service continually seem to let them down.

The second duty of an opposition is to demonstrate it can be an alternative government. This the opposition has completely failed to do. They have failed to do it because an alternative government must have a policy,

and this opposition has no policy. We are still waiting to hear how this opposition would improve on the measures which they criticize. They refuse to tell us, simply because they do not know. If they have a policy, let us hear at least some suggestions concerning it. We have heard no suggestions in any of the debates so far.

In his speech on leaders' day the Leader of the Opposition painted a very gloomy picture of our economy, and he tried to depict a state of blue ruin. Of course the Prime Minister in a very kindly way set him straight by pointing out, as recorded on page 58 of *Hansard* for January 19, 1959, that, in the past year, Canadians worked more, earned more, spent more, and saved more, than in any comparable year in the history of this country. He pointed out also that during the past year, disposable personal income increased by 6.3 per cent; net farm income increased by 22.4 per cent; interest and dividends, and net real income, rose by 6.5 per cent; other disposable income rose by 4.5 per cent; and personal and direct tax declined by 7.8 per cent.

This is the kind of blue ruin the Leader of the Opposition tries so desperately to convince the people of Canada they are suffering from today. That kind of misrepresentation is, I believe, an insult to the people of Canada. The people of Canada today are not accepting it any more than they did last March. As a matter of fact, Mr. Speaker, when referring to last March I am reminded of the fact that one senior Liberal the other day made what I considered a very sensible suggestion. He suggested that perhaps we could make our humane slaughter legislation retroactive to March 31 last. I think that might be a good suggestion.

If these prophets of doom and gloom would get out of their offices, get away from the crepe they keep hanging around their shoulders and around their speeches, and get out across the country where they could talk to the businessmen, farmers, fishermen and lumbermen, the people who really make this country go, then they would learn something. What they would learn would be that the people of this country have a great deal of confidence in this country's economy, in this government, and particularly in our Prime Minister. The people of this country are confident that our economy is going to continue to move steadily forward. They are confident of that because they know this economy is soundly based. They are planning, they are building, and they are expanding. They have confidence and faith in the future of this country even if the members of the opposition have not.

I think the kind of criticism and condemnation of the economy of the country that we have been hearing so often in this house from members of the opposition is serving no good purpose. It is simply inconsistent with the facts. They would do a great deal better if they started boosting instead of knocking and started helping the people of this country do the excellent job they are doing in moving this country's economy forward.

I believe, Mr. Speaker, that it would do a great deal of good for these men of little faith if they would speak, for instance, to the people who are putting hundreds of millions of dollars into the iron ore development in the Ungava bay region. Those people do not lack confidence in Canada's future. It would do them good to talk to the private investors who propose to spend $10 million this year in investigating and developing oil and gas prospects in the Northwest Territories and in the Yukon. Those people do not lack confidence in the economy of this country. They have plenty of it. It would do them good to talk, as I did a few nights ago, to the executives of a Canadian steel company which is going to spend $28 million on an expansion program in the next ten months. They have no lack of confidence in the economy of this country; they have tremendous confidence in it. Their facts and figures show that the economy of this country is going ahead, and that is why they are building to keep pace with its expansion.

That is the spirit of confidence, Mr. Speaker, that is pervading our whole economy. It is pervading everybody, with the exception of the members of the official opposition. They are too busy waiting around day after day, hoping that some larger unemployment figures are going to be produced so they can gloat over them. If they would start getting positive and stop being negative they would be doing a great deal better job as members of Her Majesty's loyal opposition, who are supposed to be working for the betterment of the whole of Canada.

Let us now turn, Mr. Speaker, from the negative and destructive side, as depicted by what the opposition is saying, to the positive and constructive side, as represented by what the government is doing. I should like to give three examples of what a department of this government is doing, as all departments of this government are doing, to further our national development program. As we all know national development, particularly in a country the size of Canada, requires tremendous transportation facilities, to assist free enterprise in developing and expanding the economy. In developing the country we need three most important things

in the way of transportation facilities, namely airfields, harbours and ships, including both icebreakers and supply ships. In the last election, the Leader of the Opposition scoffed at and made great fun of our development program. As you will well recall, Mr. Speaker, he described it as simply a program of building roads from igloo to igloo. He said that we were doing no more than had the former Liberal administration.

I should like to give comparative figures for the three categories of national development I have mentioned, namely shipbuilding, airfields and the building of harbours. I am going to compare what is being done today by this government with what was done by the former Liberal government in the last year in which they were in office, namely the fiscal year 1956-57. First of all, in the development of airfields and air terminals, in the year 1956-57 the Liberal government spent $22 million. It built four terminals and completed 26 runways. In this present year we are spending $56 million and will complete six terminals and 37 runways. In other words we are doing approximately two and a half times what the former government did in a comparable period when they were in office.

Then let us turn to the question of developing harbours.

Mr. Pearson: I wonder whether I might be allowed to ask the minister a question at this particular point.

Mr. Hees: Yes.

Mr. Pearson: Would the minister give the house an indication of how many of these projects about which he has talked as being undertaken in the last year were initiated by the previous government?

Mr. Hees: Offhand, Mr. Speaker, I would say very few if any.

Mr. Pearson: Do not say "offhand".

Mr. Hees: I would say very few if any.

Then, Mr. Speaker, let us turn to the developing of harbours. During the year 1956-1957 the former Liberal government spent $13 million. During the present year we are spending $28 million, or more than double the program carried out at that time.

Mr. Fisher: I wonder whether the minister would permit a question.

Mr. Hees: Yes.

Mr. Fisher: Will the minister tell us how much of that $28 million is going to be funnelled into the Canadian lakehead as an answer to the Duluth development?

[Mr. Hees.]

Mr. Hees: We have a program of development at the lakehead which the hon. member knows about very well indeed, and which I think he will agree is a farsighted, comprehensive, and adequate program, and one which will do a first class job for the lakehead. If he has any contrary opinions may I say that it is the first time he has expressed to me anything except complete approval of the plans the government has for the developing of harbour facilities at the lakehead.

As I was saying, Mr. Speaker, we find this with regard to the building of ships, icebreakers, landing craft and supply ships which are necessary for our convoys that move into the Arctic in the summer time, and to move ships of commerce in the lower gulf and the maritime provinces. Whenever icebreakers are needed, they are called into action and do a first class job, and are most essential for any commercial development program. In 1956-57 the Liberal government built three ships and six landing craft, at a total cost of $6 million. This year we are building ten ships and 52 landing craft, for a total of $22 million, or nearly four times as big a program as the Liberal government carried out in that important field during the last year they were in office.

Mr. Pearson: What about our merchant marine?

Mr. Hees: Does the Leader of the Opposition mean the merchant marine which the Liberal government let go down from about 500 to 18? Is that the merchant marine to which the Leader of the Opposition is referring?

Mr. Pearson: Now that the minister is on this question of ships, perhaps he would give us comparative figures with regard to the tonnage of the merchant marine when the government came into office and the figures as of today.

Mr. Hees: When we came into office, as I remember it, the merchant marine had been let drop from approximately 500 ships which were under Canadian registry—

Mr. Pearson: In war time.

Mr. Hees: —right after the war; and it dropped down to 18 under the government of which my hon. friend was a member. When we took over the number was about 18. We have sold eight, as the hon. member knows only too well, and for the reason that he knows only too well, of the vessels of Canadian National (West Indies) Steamship. I believe the rest are on Canadian registry. That would leave something about 10. I am not sure of the exact figure but it is something

like that. Does that answer the question of the Leader of the Opposition?

Mr. Pearson: That is a good answer.

Mr. Hees: I just want to make sure that the Leader of the Opposition has all the information he desires.

Mr. Pearson: Under the government of my hon. friend the number dropped from 18 to 10.

Mr. Hees: And under the government of which the Leader of the Opposition was a member, the number dropped from 500 to 18. That gives you an idea of the mathematics which led to the development of the Martin statistical service. It is catching on. That is the kind of figuring they do. Even the Leader of the Opposition, who is supposed to be a sensible, reasonable man, able to add two and two together, has caught that same plague that seems to be pervading the whole Liberal party today.

Mr. Pearson: May I ask the minister another question, because I want to get this matter straight. Does he contend that our merchant marine had dropped from a post-war figure of 500 ships?

Mr. Hees: It dropped from a large figure; I do not know how many. It seems to me it was about 500.

Mr. Pearson: We will get the figure.

Mr. Hees: It was several hundred and it dropped down to 18. The programs I have spoken about, Mr. Speaker, which are so much larger in these very important fields than what the Liberal government in its last year in office carried out, even though the need for development was just as great then, even though they had the same opportunity to carry out the same kind of programs as we are. These projects are providing, not only much needed transportation facilities to make it possible to develop the country, something in which this government is interested, and in which the former government showed a considerable lack of interest, but are also providing a great deal of much needed work.

We have estimated that the projects being carried out this year for the Department of Transport; the agencies which report to the department; and the crown companies for which the Minister of Transport reports to parliament, will provide work for about 25,000 more men than was provided in the same categories during the last year the Liberal government was in office. The program I have outlined is typical of the Conservative government's attitude toward national development, a program which the Leader of the Opposition scoffed at in the last election campaign and described as building roads from igloo to igloo, and said we were not doing any more than they had done.

I think I have clearly demonstrated what we are doing, and why we are doing it. We do things constructively, instead of just talking destructively; the only thing the opposition seems able to do. We believe in providing the necessary transportation facilities to assist free enterprise in doing the job it has done for the past 100 years, and which has developed the economy of the country. We believe in providing these facilities to the greatest possible degree that we can. We are providing these transportation facilities, not only to help the economy in the southern regions of the country, but to develop the vast wealth in our northern regions as well.

This program is consistent with what has always been the policy of this party as far as developing the country is concerned. Nearly 100 years ago our first great Conservative prime minister, Sir John A. Macdonald, saw very clearly the need for providing transportation facilities in the form of a great transcontinental railway to make it possible for free enterprise to develop the country from east to west. Today, we are fortunate in having another great Conservative prime minister who sees with equal clearness the need for providing transportation facilities of a modern character to enable free enterprise to complete the job, and develop the country from south to north.

Mr. L. D. Crestohl (Cartier): Mr. Speaker, like the Minister of Transport (Mr. Hees) who has just taken his seat, I too wish to join our colleagues in extending congratulations to the mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address in reply to the speech from the throne. But I am in good company with the Minister of Justice (Mr. Fulton) when I say that if my remarks must of necessity be brief they are none the less very sincere.

I should like to address myself very briefly to three matters, one of which was included in the speech from the throne, one of which was not included in the speech from the throne and which I respectfully submit should have been dealt with, and the third a matter that has evolved during this debate. The first matter I should like to refer to is the bill of rights and human freedoms of the Prime Minister. I consider that this measure will be welcomed and is welcomed by the entire country. It can become a Canadian Magna Carta; and because it can become that I should like to point out that in being reduced to writing there is a danger that it might tend to circumscribe or limit the freedoms and the human rights which are now enjoyed.

For that reason I say that the government should exercise the greatest caution possible

and do everything in its power to make certain that all viewpoints are heard and all ideas are expressed and included in a document that will in truth be a charter of human rights. There might be some danger if we do not take these precautions.

Canada has been described as a mosaic of minorities, and that is true. There are different points of view, different cultures, different backgrounds, all of which must be very carefully considered to make sure that the mosaic will be fully represented in our Canadian charter. Therefore I want to support as ardently as I can the suggestion of my leader that a parliamentary committee composed of members of both houses of parliament be appointed in order to study all the angles, all the problems, all the points of view before we finally circumscribe and enclose within a framework the fundamental freedoms and human rights which Canadians now and in the future may enjoy. Let us make certain that everything is included, because once the charter is reduced to writing it can become quite a dangerous document.

I suggest that first of all the government should invite legal experts, professors of law at the universities, sociologists, church and religious leaders and labour leaders, and certainly they should invite the provinces. It is my suggestion that perhaps the provincial attorneys general should be summoned by the government to a conference, because there are conflicts of opinion with respect to whether or not the constitutional phase will be adequately covered. At the present time there is a growing fear, a growing anxiety in the country, that perhaps all the constitutional difficulties will not be overcome and that some of the rights which the Canadian parliament may suggest may come into conflict with provincial rights. A meeting with the provinces may perhaps produce some agreement that will result in the constitutional difficulties between the federal and provincial authorities being solved.

Therefore I urge the Prime Minister as strongly as I can that such a conference be convened. We are at the present time and have been deluged by recommendations from various representative Canadian organizations. We should not ignore the representations they make. We now read in the newspapers, or hear over the radio and television, articles and announcements by authorities on constitutional law which seriously question whether such a bill of rights would do the good it is intended to do or whether it would do harm, and I therefore suggest that it would be a great mistake for the Prime Minister not to exercise every possible precaution to make sure that his bill will be what it is intended to be.

[Mr. Crestohl.]

Mr. Chown: Are you for it or against it?

Mr. Crestohl: Everybody, I think, is for it, but we are anxious to make sure that the Prime Minister will not have relied entirely on the advice he is now getting from his cabinet or from hon. members opposite but that he should seek advice from the entire country; from men who are students of sociology and men who are students of constitutional law; people who are as deeply concerned about the future of Canadians as the hon. member is and as I am.

My suggestion is a purely constructive one, and I will carry it further. This proposed measure will in all probability be adorned with the royal assent given by Her Majesty the Queen in person, and because it is a measure which will be sanctioned by Her Majesty herself I plead with the Prime Minister that he convene such a committee as I have suggested. After all, we have convened all sorts of committees in the past. Quite recently a committee was set up by parliament to study humane methods of slaughtering animals. I think hon. members opposite would agree with me that it would be ironic and incongruous if we were to appoint a committee to study how animals should die and not appoint a committee to study how humans should live.

The second topic on which I should like to touch is the question of immigration. I think the whole country accepts the fact that the people of Canada are the most valuable natural resource we have, and consequently I was disappointed that no reference was made in the speech from the throne to the question of immigration. The importance of immigration has been continually stressed by leading Canadians and quite recently by three authorities who will, I know, be acceptable to hon. members opposite. I refer to the Prime Minister, the Minister of Finance and the Minister of Immigration herself. I should like, for the information of the house, to read what the Prime Minister himself said on April 27, 1957 about immigrants and immigration while he was making one of his tours. I quote from the Toronto *Globe and Mail*:

> At his first stop of the day—a conference with the ethnic press association in Toronto—Mr. Diefenbaker filled in the detail of one aspect of that program. Development, he told the editors of foreign language publications, demands manpower. The only way to meet the needs for skill and talents is through accelerated immigration.

Mr. Speaker, I underscore the words "accelerated immigration". The Prime Minister said further:

> A government formed by the Conservatives, he added, will undertake an intensive immigration policy that will make available to all sections of the country those talents and skills.

And here I underscore the word "intensive". He said the party would undertake an intensive immigration policy, not, I would point out, a retarded immigration policy.

Now I turn to my second authority who, as I said, will also no doubt be acceptable to hon. members opposite, namely the Minister of Finance, who on Tuesday, June 17, 1958 is reported at page 1231 of *Hansard* to have said:

> Population growth of itself does not ensure progress, but in a country such as ours it has a special significance. It provides a greater market for our agricultural produce and for the products of our factories and reduces our vulnerability to changes in external demand. It brings us a greater diversity of talent and the means of employing it to better advantage. It reduces the per capita cost of supplying essential services in this great land. There can be no doubt—

And I underscore the words "no doubt"—

> —that the population growth of the post-war period has had these effects.

And now I turn to my third authority, no less a person than the minister of immigration herself, who is reported as follows in the Montreal *Star* of January 14, 1959:

> Immigration minister Ellen Fairclough said today that immigrants have helped to bolster the Canadian economy by their consumer buying, by establishing new businesses and industry and by bringing money into the country.
>
> Mrs. Fairclough denied that immigrants were taking jobs away from native-born workers.

These are very significant words, Mr. Speaker, and I wish to underline them. Then the report continues:

> Mrs. Fairclough also noted that during the eight-year period 1950-58 immigrants purchased 3,879 farms and rented 849 others.
>
> "The purchasing power of the immigrants is reflected in such purchases during the 1951-58 period as 173,000 electric or gas stoves, more than 150,000 refrigerators and more than 128,000 washing machines," she said.
>
> "In the last 12 years immigrants have brought into this country more than $800 million in cash and securities and some $300 million in effects. In 1957 alone, they paid an estimated $190 million in direct taxes," she continued.

These are clear statements of policy by the Prime Minister, by the Minister of Finance and by the minister of immigration herself.

My leader earlier in this debate spoke of contradictions, confusion and instability in many phases of government. Let me point out some very poignant cases of confusion, contradiction and instability which have occurred with regard to the government's immigration policy. I would draw to the attention of the house that the Prime Minister's glorious recommendation of an accelerated immigration policy was made in April, 1957, just prior to the election of that year.

A little over a month after that election press reports stated the following as a matter of government policy, and I now quote from the Ottawa *Citizen* of July 27, 1957. This is the quotation:

> The Progressive Conservative government in a major policy announcement has placed restrictions on immigration into Canada for the balance of 1957.
>
> For the rest of the year immigrants arriving for open placement on the labour market—those with no prearranged work contracts—have a July 31 deadline for arrival.

That was the first announcement made immediately after the election. Another press release on the same subject which appeared in the Toronto *Telegram* of July 27, 1957 reads:

> Confronted by rising unemployment and scarcity of winter housing, the Diefenbaker government last night placed heavy restrictions on immigration for the rest of this year.
>
> Hon. E. Davie Fulton, acting immigration minister, announced that after July 31 only persons with guaranteed jobs or financially-responsible relatives already here, will be admitted.

That was corroborated and confirmed by another responsible minister of the government, the Minister of Labour, some three months later when he said on October 16, 1957, as reported at page 29 of *Hansard* of that date:

> I might say also, on behalf of the government, that we have curtailed for the balance of the year the influx of immigrants which swelled our total labour population.

What a contradiction of what the Minister of Citizenship and Immigration had said. One minister said that immigrants do not interfere with employment or take jobs from native Canadians, and the other minister in direct contradiction said the opposite.

I should like to trace for a moment the results of the immigration policy of this government. Two or three months before the election the Prime Minister made an appeal for open door immigration, and I believe he was sincere in what he said which was designed to win the vote of the ethnic group. I know he favours large immigration into Canada. No one, not even I who both in and out of season have pleaded for an open door policy for immigration, could have improved upon the statements to this effect made by the Prime Minister, the Minister of Citizenship and Immigration and the Minister of Finance before the 1957 election. No one could have made more eloquent speeches. Yet the moment the election was over we heard from the acting minister of immigration a statement which like that made by the Minister of Labour almost categorically denied what had been said by the Prime Minister and the Minister of Finance with respect to an open door policy for immigration. Is this not a clear cut illustration of

confusion and contradiction? Where is the policy of this government with respect to immigration?

Mr. Chown: They were just carrying out the Liberal policy.

Mr. Crestohl: Let me tell you how they were carrying out the Liberal policy. The Liberal policy brought into Canada hundreds of thousands of immigrants. The present Minister of Citizenship and Immigration herself has outlined what these immigrants have done for Canada. How can the hon. member who interrupted say that his government carried out the Liberal immigration policy, when the figures tell a different story? If the hon. member does not know what he is talking about let him refer to the facts and figures.

I am always pleased at interruptions, Mr. Speaker. When I first came to this house I was told that if no one interrupted you when you were making a speech it indicated that no one was interested in what you were saying and you were making no impression. To that extent interruptions are symbols of interest; and if you were interrupted by hon. members opposite it indicated that you were saying things that hurt them. I am grateful to the hon. member who has just interrupted for indicating in this way that the deficiencies in the immigration policies of his government which I am pointing out and the horrible series of contradictions are a source of concern to him. What I am saying has hit home and hurts.

Let me read another interesting statement which appeared in the Ottawa *Journal* of January 5, 1959. In addressing the Oshawa Rotary club the Minister of Citizenship and Immigration released some figures of interest. The report reads in part:

> The year's immigration total was less than half 1957's 282,164 and less than the 1946-56 10-year average of 126,000.

Here we have a statement by a minister of the government disclosing the fact that total immigration in 1958 was less than half that of 1957. It seems almost to have been said with a sense of pride in contradiction to former statements made by the hon. lady.

Mr. Chown: Mr. Speaker, would the hon. member permit a question. Who signed the directive reducing immigration into Canada in June of that year before the Conservative government took office?

Mr. Crestohl: There was no cut in immigration other than that announced by the present Minister of Justice, who was then acting minister of immigration. He explained that the government reduced the flow of immigration into Canada as a first step to meet the problem of unemployment. I do not know to what extent he exposed or embarrassed the Prime Minister, who had spoken in favour of an open door policy for immigration before the election, particularly when he was pleading for the support of the ethnic groups in this country.

As I said, the article from which I read is a clear indication that immigration was reduced by one half in the period of a year. Because the Minister of Labour had said that the government stopped the flow of immigration in order not to interfere with the employment of Canadians one might assume that there would have been a corresponding reduction in unemployment in the last year, but the facts do not bear this out. Unemployment increased despite the reduction in immigration. I therefore go along with the statement made by the present Minister of Citizenship and Immigration who said clearly that in her judgment and in the judgment of many eminent sociologists and economists immigration into Canada in no way interfered with employment.

Let me read some comments by the Minister of Justice and the Minister of Citizenship and Immigration as reported in the Regina *Leader Post* of January 17, 1959:

> Justice Minister Davie Fulton was the first to express his views . . . Mr. Fulton said one of the first decisions, an unpleasant one, the Conservative administration had to take was to curb the flow of immigration which had been going on at the rate of 300,000 a year.

Mr. Chown: That was a Liberal decision.

Mr. Crestohl: You are perfectly right. Under the Liberal administration 300,000 immigrants a year were coming to Canada, but that was too much for the present government. The Minister of Justice made a further statement, reported in the same article as follows:

> If the flow had not been curbed, he said, the majority would have come seeking jobs and finding none. They would be "competing with Canadians for a shrinking labour opportunity".

In the same article the stand taken by the Minister of Citizenship and Immigration is commented on as follows:

> Mrs. Fairclough took a slightly different tack. She said that year by year immigration brings to Canada a steady flow of producers as well as consumers of Canadian products. In a very real sense, she said, a new and important domestic market is being created by immigrants.
>
> Now Mrs. Fairclough introduced her seemingly contradictory thoughts to what Mr. Fulton had been saying. . . . In good times little criticism of immigration is heard. But when economic expansion slows down, there is a tendency on the part of some to question the value of immigration. Occasionally we hear that immigrants take work from native-born Canadians and aggravate unemployment; this notwithstanding the oft-expressed view of reputable economists that there is little or no connection between immigration and unemployment.

Here you have it, Mr. Speaker. Three responsible ministers of the cabinet, including the Prime Minister, take one tack on immigration; speak very eloquently in favour of large immigration, accelerated immigration to Canada; point out and emphasize the value of immigrants to Canada, what they have contributed in the past to Canada; and within a matter of weeks three other responsible ministers take an entirely different tack. They say, curb immigration, stop immigration, and they contradict the statement of the Minister of Citizenship and Immigration that immigrants do not interfere with employment. What clearer example could one possibly give of contradiction, confusion and instability in government policy? I refer only to its immigration policy.

I would suggest the Minister of Labour has his problems to worry about, and therefore he announces on behalf of the government a reduction in the number of immigrants. The Minister of Citizenship and Immigration has her problems to worry about. She favours immigration. Obviously, Mr. Speaker, it is a case of the right hand in the cabinet not knowing what its left hand is doing, and that confirms the clear-cut statement of the Leader of the Opposition that there is confusion and contradiction in the government; particularly, as I have just pointed out, with respect to immigration.

I should like to make some observations on the feature of this debate, Mr. Speaker, which was emphasized over and over again by government speakers who are constantly nudging the opposition with the question, "What do you suggest; what would you do about it?" We can understand, of course, from the contradictions which are so apparent and so obvious that there could be cause for great concern among the members of the government. This is obvious, Mr. Speaker. It is clearly the result of inexperience. If government spokesmen would rise in their places in the house and simply say with all candor and all sincerity, "We have just taken charge of the government; we are new in this; we believe we have policies which we shall develop, but we have not had the experience, and therefore at the beginning of our administration there may be some apparent confusion, some apparent contradiction, but it will straighten itself out", I suggest, Mr. Speaker, that that would be a becoming statement; it would be in line with the facts.

I suggest they should do this rather than try with great difficulty to defend all this confusion. We would have great respect for a government which would say to the country, "We have a program, we have a policy which we will implement, but give us an opportunity. We have not had the vast experience the former government had after 22 years of power. They were tried and experienced. We will perform just as well in time." To have failed to make that statement is in my judgment a gross oversight.

Then they say to the opposition, "What would you suggest?" "What should we do?" Well, Mr. Speaker, to nudge the opposition with these questions is a little bit ludicrous. Let us look at it. Politics being politics, will anyone say that a government will do those things which an opposition suggests? Oh, it is just so much beautiful language, so much challenging language. It is another way of saying, "We don't know what to do; what would you suggest?" When our leader makes a suggestion to the government—and he made it again recently—that a drastic cut in income tax be made so there would be more take-home pay in every employee's envelope, there would be more money thrown into circulation and more buying power and this buying power would create more production and more production would create more labour opportunities and unemployment would be reduced, what is the result? It was a practical suggestion, but it was completely ignored. It was not argued against; it was not set aside; it was just completely ignored. But they persist in asking the opposition, "What would you suggest?"

Then, Mr. Speaker, in my humble way I myself had the temerity to suggest to the government a 30-day or a 60-day sales tax holiday. That, too, would throw more money into circulation. People would be inclined to purchase; people would have more funds and would buy within this 30- or 60-day period because they would know that within that period they could purchase without having to pay sales tax. There would be an impetus to buying; buying power would be increased; production again would be increased and unemployment would be reduced. But that, too, was completely ignored even though it did have editorial support.

I would dare answer that question which is constantly put to the opposition, "What would you do?" by taking a page from history, indeed from Canadian history. What did other governments do? What did another government do at a time when the country found itself in a difficult economic condition. In fact, Mr. Speaker, our economic position is so serious today that I in any event and all hon. members should shudder at the thought that now for the second time within my memory Canadians are humbled to such an extent that they must seek food in bread lines and from free soup kitchens.

Immediately after the first world war, in the years 1919, 1920 and 1921, as a young man I had the sad and heartbreaking experience of seeing bread lines and soup kitchens in Montreal. And now, as I said, for the second time within my memory we learn from the press that bread lines and soup kitchens have been established in Toronto and Vancouver. This is a sad thing for us as members of parliament, representing the people, to contemplate; and I have reason to fear that this state of affairs may even spread to other cities. I urge that it is the solemn duty of members of parliament, the spokesmen of the people of Canada, regardless of political party or affiliation, to give this matter the serious consideration it deserves.

I say, Mr. Speaker, the government has the power to arrest this spreading calamity. All it needs is the courage, and courage means not to seek to do only those things which are popular or popular vote-catchers. All it needs is the courage to do those things which are necessary and urgent regardless of whether they are popular and will catch votes. It is the duty of the government to place the responsibilty, the urgency and the needs of our people above political party politics. This has been done by another government.

Before I even touch on that matter I should point out that both in the 1919 and 1920 eras, when we had soup kitchens and bread lines, just as they are developing now in our country, peculiarly the governments were Conservative governments. I do not make that as an accusation but as a statement of fact. It may be sheer coincidence or perhaps, as someone has said, the Conservative party is just a hard-luck party. It is a horrible picture to contemplate, Mr. Speaker.

I say to hon. members that it may be unpopular to do certain things, but they must be done. It may be quite true, I quite understand and sympathize, that hon. gentlemen opposite even feel politically pained by this sad picture; their humane sensibilities may also be pained. However, they should stop playing painful politics, because that is what is happening. Every measure, everything that is said by the government has only one objective: Is it popular? Will it get us votes? They should not be concerned with these things so early in the administration of the government.

The Prime Minister sees visions and I too, Mr. Speaker, see visions. When I think of these bread lines, the playing of politics, the doing of only those things which are popular, then the vision I see is that of Nero and Rome.

As I said a moment ago, at another time when this country was facing a serious economic situation another political party did things which were not very popular. If we go back to 1939, 1940 and 1941, when rigid controls were set up in this country, we find that they were not popular with anyone. They were good for the country. They may have been bad for a political party but they were necessary for the good of the country. We all recall the so-called dollar a year brigade which was pressed into service by the then government. Irrespective of the political party to which these gentlemen belonged they were summoned to the service of Canada. Canada needed their help at the time. It is quite clear that they came forward, and the government of the day did not hesitate to introduce those rigid controls, those unpopular measures. There were price controls, salary controls, rent controls and so on.

I am not suggesting these as measures the government should adopt today. I am simply pointing them out and saying they were unpopular measures that were adopted by a government which did not think of its political future but thought of its country's future. All these controls were set up, as I said, and men were summoned from all parts of Canada, irrespective of their political allegiance.

The Acting Speaker (Mr. Rea): Order. I should like to remind the hon. member that his time has expired.

Mr. Crestohl: But a note was just given to me stating that I had five minutes more.

The Acting Speaker (Mr. Rea): The hon. member's time expired at 12.36.

Mr. Egan Chambers (St. Lawrence-St. George): I should like to start my contribution to this debate, Mr. Speaker, by saying how glad we all are to see Mr. Speaker back in his chair, in good health and in his usual good humour after his travels during the recess. I should like also to join with other hon. members who have congratulated the mover (Mr. Jorgenson) of the address in reply. He delivered one of the best speeches I have ever heard on the subject of agriculture. He laid out, for the members of this house and for the people of the country, the program and the accomplishments of the government in that field.

(Translation):

I should like to congratulate the hon. member for Montmagny-L'Islet (Mr. Fortin), for the excellent speech he made. I am sure his father and his grandfather, both former members of this house, would be proud of him and we can be sure that his career in this house will be that of a distinguished parliamentarian.

(Text):

I had not intended this morning, Mr. Speaker, to touch on the subject of immigration. However, having listened carefully to the remarks of the hon. member for Cartier (Mr. Crestohl) I cannot help but point out to him that what he has been criticizing at considerable length in the way of immigration policy was, in fact, the policy of his own government. The policy of the previous Liberal government on immigration—and in my view it was not a bad policy though not always well carried out—was to regulate the flow of immigrants so that it was in keeping with the economic situation in this country. We do not want to bring in people for whom there is no housing or for whom there is no work. I will take second place to no one as an advocate of an active and full immigration policy for Canada.

However, as the hon. member pointed out in the latter part of his speech, we have had economic difficulties. It is known that many immigrants, in their first years in this country, have difficulties because their knowledge of the languages of Canada is sometimes not good enough to get them the best type of employment. Very often they are the ones upon whom economic difficulties fall most heavily. The hon. member for Cartier was suggesting, it seemed to me, that we should have brought in large numbers of people to walk the streets of this country and be a charge upon the communities in which they live, and to start out in this country in a very unhappy frame of mind. The policy of cutting back on immigration, as was pointed out by someone on this side of the house, was inaugurated by a Liberal government before the election in 1957, when they sent notices to the immigration offices throughout the world to be prepared to cut down on immigration as the economic outlook was not good.

This government, as has been shown by the speeches of the Prime Minister and other ministers, is a believer in immigration, but a believer in sound immigration. We believe in bringing people to this country when we are able to give them jobs, give them housing and give them a good start toward becoming Canadians. That is the policy of the government, and that is the policy that has been carried out. The hon. member mentioned that last year immigration was considerably lower than the previous year. What he did not mention was that immigration the previous year was the greatest since before the first war. Immigration last year compares very favourably with many of the years since the war when the policy was administered by the former Liberal government.

I come, Mr. Speaker, from the riding of St. Lawrence-St. George. It is the very centre of the metropolis of Canada. Many of our citizens work in other ridings, and many of the people who work in our riding live in other ridings. It is therefore difficult for me to speak specifically of St. Lawrence-St. George. We are part of a larger community, and we are affected by the problems of that larger community. Apart from that, having listened to and read in *Hansard* the speeches of the various hon. members who have preceded me, I have noted that they have taken unto their own ridings all the compliments that can be bestowed upon a riding in Canada—I should say, all but one. I will merely say that in St. Lawrence-St. George, of all of the ridings in the country, we have the best looking women.

An hon. Member: I thought the hon. member said all except one.

Mr. Chambers: I make no exception. As I said a moment ago, Mr. Speaker, we are involved in the problems of a larger community. One of the problems facing the city of Montreal today is transportation across the St. Lawrence river. We in Montreal are grateful to the government and to the Minister of Transport for the efforts that are being made to alleviate that problem. The hon. member for Laurier (Mr. Chevrier) has been greatly interested in the problem of the Victoria bridge which is to be partially closed for alterations by the Canadian National Railways. Since we on this side of the house have been asking for constructive suggestions I thought I might ask the hon. member for Laurier whether he could not make a constructive suggestion in this regard. As everyone knows he was closely concerned with the seaway and with transportation generally in the past. In the Montreal *Star* of November 1, 1954 we find the following statement:

> The chairman of the seaway authority, Mr. Chevrier, has announced that a formula has been found to avoid delays on Victoria bridge once the Montreal end of the seaway project has been completed. He will not say now what it is.

I would suggest, Mr. Speaker, this his silence has gone on long enough, and that if he knows how to keep the bridge open and still do the necessary alterations, now is the time when he should let us all in on the secret rather than simply ask the Minister of Transport questions in that regard.

In this debate the charge of the opposition seems to be that the government is confused. But, Mr. Speaker, there can be no more confusion than that which is indicted in the speeches that have come from the opposition benches. I do not want to go over all the ground, but I should like to take just one speech I heard. It was not made in this house but was made on the national radio

network by the hon. member for Bonavista-Twillingate (Mr. Pickersgill). I was interested the other day to hear him rise to make a correction in *Hansard*, at which time he said that he did not jive but that he jibed, and went on to clear up the point by explaining how he was using the term. When he first mentioned the term I, of course, thought that as he was an old nautical man it had to do with the well known phrase in sailing, namely to jibe, which is to go about before the wind. May I say that there is no one who spends more time before the wind than the hon. member for Bonavista-Twillingate.

He began his remarks by very kindly saying that he and his party did not hold the Conservative government responsible for unemployment but that what they held the government responsible for was the fact that the government had done absolutely nothing about it; and then he jibed. He started to talk about inflation. He said that inflation was a very serious problem and that everything the government had done served to increase inflation. A moment or two previously he had said that the government had done nothing. Then he said that everything they had done was inflationary.

It is possible, in fact probable, that some of the actions of the government to alleviate the unemployment situation were inflationary. But what the hon. member failed to tell us was which of those measures he would have preferred the government had not put into effect. Was it the extension of unemployment insurance that he did not want because it was inflationary? Was it the housing program that has given work to thousands and thousands of Canadians during a difficult period? Was that what he did not want put into effect because it was inflationary? Was it the public works program, the building of roads to the north or the improvement of our harbours? Were those the things that he felt should not have been done because they were inflationary? He did not say, Mr. Speaker. However, I can suggest some things the government may have been considering which no doubt would be inflationary and which perhaps now should be dropped.

During the last session the hon. member for Bonavista-Twillingate took us on a magnificent tour through that riding of his, in the course of which he stopped at every harbour and community, every pile of logs and every place where there was a pile of logs ten years ago. In each and every one of those corners he found that some public work was necessary. Here it was a new dock, there a cold storage plant or some place to tie up his ship. If those works were now undertaken I suggest that they would be extremely inflationary, and probably would cause damage not only to the country but particularly to Bonavista-Twillingate.

Yesterday the hon. member for Port Arthur had something to say comparing our economy with that of communist countries. I want to make it clear right away that I am not suggesting that I think he was favouring that type of economy. However, he pointed out, and with some truth, that in those countries there is disciplined society, and that because of the disciplined society and because the efforts of every citizen can be directed, there is there an efficiency that we perhaps do not possess. This may be one of the reasons that they get their rockets closer to the moon than do the western countries.

I do not think there is anyone in this house who wants a disciplined society in exchange for our free society, and I think there are few in this country who do. Nevertheless we are in competition with the communist countries, and we must find—and I think we have done so—a substitute for this iron discipline. We must find some method of mobilizing the efforts of our people while maintaining their freedom.

To you, Mr. Speaker, and to all other hon. members I suggest that in the sense of national purpose that has been instilled into the great majority of our people by the Prime Minister we have the substitute for discipline. Today we have a country that is united as it has seldom been in its history. It is united because the people of this country believe in the program of the government. They believe in the qualities of leadership that exist in those who occupy the front benches of the Conservative party.

As the hon. member for Port Arthur pointed out, in our society there are some activities which he described as not being vital parts of production, and he named one or two. I think you could define those people who use the resources of this country solely for their own profit and without any consideration for the national purpose as doing something which is contrary to the long-term aspirations of our people. As I say, he named a couple; I could name a couple more, including those persons who take up time and newsprint to do such things as to print obscene publications and persons who use time, effort and capital to do what I would call useless things such as printing the social register.

Then we come to those whose profit is not in money but in political capital, people such as some who have spoken in this debate who will use anything they can put their finger on to turn a political profit without any consideration of the effect their words will have on the people of the country. This has been pointed out before in this debate, but when we

have members opposite stand up and say that the country is going to the dogs, that there is no direction, no future, they may make a short term political profit but what in effect they are doing is damaging the confidence of the people of the country.

People who are considering investment in employment-producing industries, people who are considering setting up new firms to develop our natural resources may feel, because these respected gentlemen say the future is dark that they should not do so at this time. So it seems to me that these people, together with those whose only consideration is monetary profit, are what you might call the negative part of our society at this time.

We on this side of the house have been criticized because occasionally we say that we support the Conservative Prime Minister. I do not know why this should be. If we say anything in favour of our Prime Minister it is suggested that we are looking for advancement only, but I make no apology. If I did not support the Prime Minister I would not be sitting on this side of the house. We follow his leadership because it is the best leadership in Canada today. It has been ably demonstrated in this debate, in the speech from the throne and by the accomplishments of the government since it came into office the year before last that we have in the Prime Minister a leader in whom the vast majority of the people of the country have confidence. It is he who has pointed out to the people of the country the national purpose of which I spoke. He has pictured to them the destiny of the country, and he is leading them along the path of progress toward that destiny.

I only want to say one other thing, Mr. Speaker, and it has to do with parliament. A year or two ago we used to hear speeches on the rights of parliament and the rights of members of parliament. One of the main planks of the Conservative platform was to restore the rights of parliament, and today we no longer hear such speeches. We no longer hear complaints from the opposition that their rights are being withheld. In fact if there are any breaches of the rights of the house they still come from the opposition. I feel sorry for them. I know they are reduced in number, but I suggest to them that the way to increase their number is not by bringing their friends into the house without having them first elected.

Let them do as the Prime Minister and other members of the government have suggested. Let them bring forward constructive policies. Let them say to the people of Canada something that will lead the people to believe that they have come back from the bankruptcy of policy which put them out of office. Let them look over the constructive, forward-looking, far-reaching program of the government and learn their lesson from it.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. H. J. Michaud (Kent, N.B.): Mr. Speaker, I wish to join at this time with those hon. members who have preceded me in this debate by extending my sincere congratulations to the mover of the address in reply to the speech from the throne (Mr. Jorgenson) on the able manner in which he discharged his duty.

(Translation):

I also wish to congratulate the hon. member for Montmagny-L'Islet (Mr. Fortin) who, in seconding the address in reply to the speech from the throne, did very well. He was a credit to his electors and his constituency.

I should like also to take this opportunity, Mr. Speaker, to express my satisfaction of the fact that, this session again, you are Speaker of this house.

It had not been my intention, Mr. Speaker, to speak on the subject of immigration at this time. But after hearing cabinet ministers, and particularly the hon. member for St. Lawrence-St. George (Mr. Chambers), who complained this morning about the former Liberal government's immigration policy, I could not resist the temptation to remind the house of a few facts and incidents relating to that matter.

Allow me to quote from a few newspaper articles I have on my desk. Here is, for example, what one could read on February 15, 1955, in the paper *La Presse* under the title:

> Conservatives want to boost immigration—Mr. Davie Fulton introduced a non confidence motion and advocated more active recruiting in Great Britain.

Note, Mr. Speaker, that if the non confidence motion had carried, it would have caused the fall of the Liberal government.

And the article adds:

> The government's immigration policy is neither clear, nor consistent nor integrated. It does not meet the needs of Canada. It does not live up to the responsibilities of Canada. Its implementation involves discrimination against Canadians and non-Canadians.

Some time later, on August 8, 1956, the Timmins *Daily Press* said:

Opposition—

The people who now form the government.

—urges more immigrants.

Again, on January 26, 1957, the Timmins *Daily Press* reported as follows:

Fulton says Canada slow with refugees.

And, finally, as recently as April 2, 1957, a headline in the *Action Catholique* read:

We must increase our population or we shall perish, says Mr. Diefenbaker.

Mr. Speaker, may those few headlines be remembered henceforth by those who, on the government side of the house, would be tempted to criticize the policy of the former Liberal government. I hope those headlines will give them food for sober second thoughts. The inspiration they get from them might prod them into changing their attitude in the future. As the hon. member for Laurier (Mr. Chevrier) said the other day: Other times, other ways.

(Text):

I think it is appropriate to state at this time that the debate now engaging the retention of the house has clearly indicated the seriousness of the many problems now confronting the Canadian nation. It also has shown the confusion, embarrassment and indecision which the government is displaying in dealing with these many problems. But what else could be expected? It has been said that the government promised its way to power. Now it is indicted for its dismal failure to implement its election promises.

Perhaps it would be proper to recall to the government that never before was the old French adage so true: "Qui sème le vent, récolte la tempête." How well I remember the fantastic promises made in my own riding by the supporters of the present government in the course of the last two election campaigns—jobs of their own choosing for all those who would support the present government's candidate; pensions to all within the age limit of the Old Age Assistance Act; more generous unemployment insurance benefits to the unemployed with or without the required number of insurance stamps. Public works projects were promised on every corner, even invading the field of private enterprise. Factories were promised for every village, and the provincial field was also brought into the picture during the campaign. New roads, paved if need be, were promised in every section of the county of Kent. Then came the chorus of "being on the winning side" with all its overtones of accompanying skull duggery regardless of how incompatible it was with all the concepts of democratic principles, the suggestion that unless you are on the winning side you cannot expect the same benefits and the same privileges.

If one recognizes that the pattern followed in my own riding was much the same as that followed throughout the whole country by Conservative spokesmen, it is little wonder that the chickens are now coming home to roost in such large numbers. I say, Mr. Speaker, that the main causes of the government's present embarrassment are of its own making and the direct result of this unbridled flow of irresponsible promises which overwhelmed all media of publicity in the last two political campaigns. It is therefore the responsibility of the government and not the responsibility of the opposition, as has been so often suggested by government speakers in this debate, to meet all the expectancies aroused by its own supporters, let alone its own candidates.

Much has been said about unemployment during the course of this debate. I have no intention at this time of going into details concerning this matter. Numerous statistics have been quoted and many arguments have been advanced as to who should bear the responsibility for the present unemployment situation. However, my duty compels me at this time to say to this house that unemployment with all it comprises in terms of moral and physical suffering is far too prevalent in my own constituency.

Before leaving for Ottawa for the present session I saw cases of want and poverty that would wring your heart, cases of children without food or clothing, homes without fuel, situations that are a challenge to our democratic and Christian institutions. Statistics will never reveal the true picture of the economic conditions existing in the constituency I represent. There are an untold number of workers who are unable to qualify for unemployment insurance benefits due to their inability last year, through no fault of their own, to earn the minimum number of stamps required, 15.

Numerous excerpts have been read from the statement of His Eminence Cardinal Leger on the subject of unemployment during recent days. I wish to cite one more extract from that timely and most important appeal:

The wealth of a country is measured by the distribution of material goods rather than by the abundance of these goods. A people which does not enjoy a just distribution of material riches—no matter how abundant these riches are—must be considered a poor people in a rich country.

One of the main causes of unemployment in my part of the country is the present

slump which affects the lumber industry. Thousands of men formerly employed in the manufacture of our pulp and lumber are now sitting idle due to lack of demand. Where pulpwood used to sell at from $15 to $17 a cord at roadside it is now sold at $8 to $10 a cord if indeed you are lucky enough to sell a few cords. The price is hardly more than the stumpage costs.

A further drawback to the pulp industry was the recent freight rate increase. Shippers have told me that this increase means an additional cost, depending upon the delivery point, of $3 to $3.40 a cord. We are told by the government that equalizing measures will be adopted to relieve producers' goods from the eastern and western parts of the country from the paralysing effects of the new freight rate increase. Efforts should be made to make these measures applicable to wood shipments along with other goods.

Mention should also be made of the recent action of the New Brunswick government with regard to woods operations by lumber companies of that province. Through arbitrary measures imposed upon these companies they are now obliged to cut on their leased lands larger quantities of wood than they would normally cut, thus curtailing the production of the small private supplier such as the farmer and settler.

These are all matters which should receive careful study from all parties concerned with a view to promoting renewed activity in the woods industry, which represents a segment of prime importance in the general economy in the province of New Brunswick.

There is one other aspect of the over-all labour field in the maritimes which is different from the situation which existed during past years. As a matter of fact, during the last five or six years two projects of major proportions absorbed the surplus available labour force which was not otherwise locally employed. I refer to the construction of Camp Gagetown in New Brunswick and the construction of air bases in Labrador. But it now seems that these two projects are nearing completion and therefore will not provide the same opportunities for employment as in the past. This situation should be corrected, if mass unemployment is to be avoided in the maritimes, by the launching of new projects of the same wide scope as those I have mentioned. Projects of these proportions were also suggested by my colleague the hon. member for Northumberland-Miramichi (Mr. McWilliam.)

Without, then, elaborating on their advisability I submit that the government should seriously consider the construction of a causeway between New Brunswick and Prince Edward Island and the construction of the Chignecto canal. The undertaking of these works would bring about the double advantage of creating a wide field of local employment for our working force as well as fostering a wider development of our commercial and industrial life.

Mr. Speaker, I was very pleased to hear during the reading of the throne speech the government's intention of reviewing farm credit. The following words appear in the speech from the throne:

> You will also be invited to make a comprehensive review and revision of the legislation concerning farm credit, in order that credit may be more effective in assisting in the development and maintenance of an efficient and prosperous agriculture.

The matter of farm credit is one of great concern to all those whose responsibility it is to guide agriculture at the present time. Farm groups, farm leaders and farm technical advisers, nearly all are agreed that the emphasis should be placed on larger farm units in order to reduce the cost of farm operation and increase net farm revenue.

Great interest in farm practices is emerging in the maritime provinces at this time. I should like at this time to read from a news report in the Moncton *Daily Times* of January 19 last:

> Proper Use of Land said Fundamental—
>
> Atlantic provinces farmers "must change their methods drastically to meet needed changes in production pointed out by agricultural research, changing marketing practices and changing consumer demands," declared Dr. Frank MacKinnon, Charlottetown, president of the Atlantic provinces economic council, in a Moncton address Saturday.
>
> Addressing the first sales clinic of the maritime wholesale hardware association, Dr. MacKinnon said that a "fundamental necessity to the forward march of the Atlantic area economy is "proper use of our land."
>
> "We are wasting much of this valuable asset—2,500 vacant farms on Prince Edward Island alone. Agriculture is a basic industry upon which every other industry depends, and agriculture is changing. It is not too much to say that in 10 years most present-day farm methods will be obsolete. What are we doing about it?"
>
> The APEC president stated that he had not heard "any good reason why a good living can't be made off a farm and why all our vacant land cannot be taken up again and utilized to the full with profit.
>
> There is no sense in being short-sighted in agriculture; it demands careful planning and the same emphasis on giving the consumer a high quality product that has worked well in industry. Artificial, temporary aids like floor prices are good in only a limited way.
>
> Hard facts must be faced; for example, if the Texans can sell their carrots effectively in our own stores when we are growing them here and cannot sell them, we simply have to learn how to grow and sell carrots properly.
>
> There is gold in the grass right here, too, but we need nothing short of a complete revolution in farm methods to get it."

We shall await with great interest the introduction of the government's legislation

as it will apply to the vital question of credit assistance to agriculture.

Much has been said lately, Mr. Speaker, in regard to certain fishing practices in the maritimes. Needless to say this is of the greatest concern to all those interested in the future welfare of our fisheries, particularly the lobster industry. Many suggestions were offered as to the best methods to stop those poaching practices which seem to be common around some of our shores. The debating point centres on two main suggestions: more education, or more rigidity on the part of conservation officers. I would respectfully submit that both are essential. I recall with satisfaction a series of lectures held in my own constituency in the early summer of 1954. I remain convinced that those lectures, by and large, were beneficial, and my only criticism at this time is that such a program, or other programs of a similar nature, was not further pursued.

We were told that the fisheries department has in its possession films on various aspects of lobster fishing, the life history and the habits of this fish. I am sure that great benefits could be derived if those films were shown in every fishing community. Pamphlets on these same matters could also be distributed in schools, which the school children would subsequently bring back to their homes.

However, Mr. Speaker, despite all efforts to convince fishermen that those illegal practices are detrimental to the good of the industry and to their own personal good, we must be realistic enough to recognize that poaching is an evil that will still remain with us. This is where the department, through its protective staff, will have to intervene with the appropriate measures to master the situation. The best-intentioned fishermen, and those are surely by far the larger number, are demanding action by the department; for many are now convinced that unless a halt is put to the present scale of poaching practices the whole future of the lobster industry will be imperilled.

As an indication of the organized fishermen's views—and these are essentially well-meaning fishermen—I should like at this time to quote from a news item which I read in the Moncton *Times* dated January 24 last, containing some of the recommendations made during a recent meeting held in Shediac, New Brunswick, in connection with fishing regulations. I am not commenting on the adequacy of these recommendations; I am simply quoting them as an indication of the trend of thought among the fishing people on this matter:

1. That any fisherman found with illegal lobsters in his possession be required to pay a minimum fine of $2 for each illegal lobster.

2. That any fisherman found with more than 50 per cent illegal lobsters in his possession be subject to the minimum fine of $2 for each illegal lobster, plus the suspension of licence for a 12-month period.

The news item adds:

All fishermen present were in agreement that a strict adherence to the regulations would tend to bring the industry to a higher level, and be a distinct advantage to all concerned.

The general consciousness of all those concerned with this vital matter, Mr. Speaker, augurs well for its ultimate solution.

Mr. D. J. Walker (Rosedale): Mr. Speaker, you must be an innately modest man to be able to withstand the wealth of compliments handed to you in the past two weeks, but at the risk of overdoing it I am going to add my own. Also, Mr. Speaker, may I add my voice to the voices of all other members on both the government and opposition sides in complimenting the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) on the masterly performance of each.

I have, if I may say so at this time, a matter to refer to which perhaps has not been debated so far, namely the royal commission on energy resources. May I say, Mr. Speaker, that there seems to be a misconception of the role of royal commissions. Royal commissions are to collect facts and make recommendations. The government may or may not accept them. Sometimes it accepts them in full, sometimes in part and sometimes not at all. It is a grand thing that under our democratic system the government makes the final decision, as the government will doubtless do in this case.

So far as the recommendations of that commission are concerned, may I simply say that for my part I cannot help but be glad that it has recommended a national energy board, provided, however, that such energy board is not so restrictive and so final as to throttle that very energetic industry, the oil and gas industry. On the other recommendation, which may or may not be the correct interpretation, I for one must object to the suggestion that the energy board should attempt to limit the profits on equity capital, to what they consider a fair amount; because to do that, Mr. Speaker, without including in the decision the whole picture, would be to throttle the expansion which is going on at the present time and would bring an end to the risk capital without which the tremendous strides in the Canadian west in oil and gas production could not possibly have been made.

Having said that, may I say at this time—and I have not had an opportunity to do it before—that the hon. member for Greenwood (Mr. Macdonnell), in his references to the

Leader of the Opposition (Mr. Pearson), was wistful. At this stage may I say that I would like to be nostalgic, just for a moment, because it is not so many years ago that I sat at the feet of a certain history professor at the University of Toronto called Pearson, Mike Pearson. We did not know then that his name was Lester. In those days, as we had those quiet seances in his chambers in Baldwin Hall, many of us wondered what he would become, whether he would be a great history professor or whether he would be a great football coach. I suppose he had that problem to decide himself. None of us, however, suspected—least of all I—that my old history professor would one day occupy the second most important position in this chamber, that of leader of Her Majesty's opposition. I want to compliment him at this time upon his achievement.

Having said that, Mr. Speaker, I should say that no one could have been more amazed than I at the opening of the throne speech debate to see my old history professor, so kindly, so good-natured and so charming as he was then, come out of his corner of the ring fighting, swinging in all directions. He kept on doing that for an hour and a half, and I thought he certainly had changed. After that hour and a half the good humour we all know he possesses asserted itself, and for the next hour he made his points, yes, but he made them with a smile on his face as if to say, "Well, boys, I have to say this but does it not sound ridiculous?" I know he will not mind me saying this, because I know he has a sense of humour.

I went home over the weekend, Mr. Speaker, just to go from home to home in my riding of Rosedale, which includes such parts of Toronto as Regent Park and Cabbagetown mentioned so eloquently by the hon. member for Port Arthur, and I was somewhat amazed to find that the people there were really fed up with the debate so far. They felt that the government had been criticized, and it should be criticized, but that the criticism was of the carping, destructive type. They felt it was time the opposition parties became constructive in their criticism. I came back to the house prepared to say something about it, but I did not need to because on Monday night last the Leader of the Opposition realized the disservice that his party was doing not only to itself but to the country. Having realized this, he rose in the house and suggested that the throne speech debate be brought to an end, and quite properly so under all the circumstances.

Perhaps in the future, Mr. Speaker, we can have some constructive criticism in the throne speech debate. I would suggest also that we should consider the proposal of the Leader of the Opposition and perhaps in future years reduce the duration of the throne speech debate from ten days to five. Surely all that needs to be said could be said in five days instead of the present ten.

I was surprised also to learn that my friend the Leader of the Opposition had visited Montreal over the weekend, during which time he had made a speech. According to the report I read in the *Globe and Mail* he made this statement:

> It is obvious that something is going to blow.

He was not talking about a football team, and he was not talking about himself. He added:

> The government is sitting on an inflationary time bomb.

I should like to ask the hon. gentleman, my former professor: which horse are you on, inflation or unemployment? Unlike the rider in the circus, the Leader of the Opposition cannot ride both horses at the same time because they go in opposite directions. I ask him, as the Prime Minister asked him at the opening of the debate, where does he stand in connection with the situation which confronts Canada today? In his opinion, which has priority,—unemployment or inflation?

We have heard a great deal from the members of the opposition—able speeches they were—on the subject of the deficit. All sorts of figures have been suggested, and some of them are fantastic figures. None of these figures has been more fantastic than the one which came from the newly incorporated Martin bureau of imaginative statistics, which set the deficit at over a billion dollars. This is a gross exaggeration, of course; but supposing the deficit is, as has been suggested, $700 million. Has the government no authority, has the government no support, has the government nothing outside of its own decision to support a deficit of that kind? I ask you that. The opposition members apparently think not.

May I remind them that the Leader of the Opposition himself has justified the position in which the government finds itself today in its deficit budgeting by a speech which he made on February 10 last, or which is reported in the Toronto *Daily Star* of February 10 last. At that time he was campaigning to become prime minister. The article states:

> Hon. Lester Pearson today promised the Canadian people a program of major tax cuts and social changes if the Liberals were returned to power on March 31. He pledged tax reductions of $400 million to spur the lagging economy.

Then the article goes on:

> The $400 million tax cut proposed by Mr. Pearson would add to the budget deficit for the coming fiscal

year which his colleague, Hon. George Marler, has estimated will come to around $380 million as a result of existing commitments.

On that basis, if Mr. Pearson's program was put into effect during the next session, the federal government would end the 1958-59 fiscal year with a deficit in the neighbourhood of $800 million—

Now, that is the proposal of the Leader of the Opposition himself, made when he was campaigning for election; yet now his supporters have castigated the government for having the deficit which it is expected they might have. I do not know that he has pressed such views with vigour, but his supporters have. Then according to this article he went even further:

If the situation deteriorated still further, Mr. Pearson stated that he was prepared to recommend even greater deficit financing.

Think of it, Mr. Speaker; here he is on record on February 10 last, and contrast that with the speeches we have heard in this house since that time. Then the Leader of the Opposition went on to boast about the Liberal party, and the article reads:

Mr. Pearson said the idea of creating a budget deficit was in keeping with principles of the Liberal party which had reduced the national debt by $2,500 million during the prosperous post-war years, while resorting to deficit financing in 1955 when that was necessary to stimulate the economy.

What we find is this, and I have figures here to prove it; that the Liberals talk about cyclical budgeting as if they had invented it, yet in the recession years of 1954 and 1957 they budgeted for a surplus. When we came into power in 1957 the Liberals had budgeted for a surplus in that year of recession, while in the boom years 1955 and 1956 they contrived to have deficits. The theory of cyclical budgeting is to reduce demand when it is excessive and inflation threatens, and to expand demand when it is deficient and unemployment is the major item. However, far from reducing the amplitude of the economic fluctuations during the last cycle between 1954 and 1957, the Liberals actually increased those fluctuations. On the basis of their figures they had surpluses when they should have had deficits and they had deficits when they should have had surpluses. The figures speak for themselves.

Mr. Speaker, in reply to the speech of the Leader of the Opposition in Montreal may I say this. The facts would appear to indicate otherwise than the likelihood of this time bomb going off at the present time or in the near future; because it would appear that the inflationary tendency which has been in evidence in recent months is almost at an end and that the year 1959 will be a year of renewed expansion, with increased stability of prices. Such inflation as we have had since assuming office is not "demand" inflation. It is not what we used to call classical inflation. It is not that at all; it could not possibly be so because there is no pressure upon our resources. No one knows better than does the Leader of the Opposition that the tremendous influx of capital investment in our country since the war has begun to assert itself in the great capacity of this country for production. This result is already instanced by the fact that the commodity price structure has at last become stabilized. As a matter of fact we have now more stability in commodity prices than we have had in years.

Therefore, with the greatest of respect to the Leader of the Opposition, I ask whether it is not wrong that he should stress this "demand" inflation over the immediate and pressing problem of unemployment. It seems to be generally accepted by economists that in 1959 the level of prices possibly will rise a little, and that the only reason that prices will rise at all will be cost factors such as, for instance, increased freight rates, increased wages and matters of that kind. After all—and this is fundamental in answering the Leader of the Opposition—the theory of supply and demand is still extant, and there is no possibility of a runaway inflation such as that about which he has the people worried. Furthermore, and credit for this is due to our Minister of Finance, the government of Canada and the Bank of Canada have carefully kept a firm check on the supply of money, not permitting it to go up in recent months. This fact is extremely important.

I do not know what happened to the Leader of the Opposition last week end when he went to Montreal. It may be that he visited some of the boys on St. James street with his old friend Mr. Howe, who may have introduced him to some of his colleagues on the 40 or more directorates of which he is a distinguished member. I do not know what it was that happened, but in any event the Leader of the Opposition made this speech about the fear that something was going to blow imminently. May I say to him with the greatest respect—and he knows I have for him the greatest respect—that to quote the words of the late President Roosevelt, "The only thing we have to fear is fear itself."

All we have to fear is fear which might lead to what is known as a psychological inflation. If these prophets of doom and gloom or, as the Prime Minister has called them, the gloomsters, led by the Leader of the Opposition, continue to pound away on the theme that inflation is inevitable, then in time by the very repetition of this thought, they may convince the consumer and the businessman himself that perhaps after all

there is no use in resisting increased prices, that perhaps after all inflation is inevitable. That is called psychological inflation; and that is possible in this country; but it is only possible if the gloomsters continue to pound away on the subject which I suggest, with great respect, does not have any merit at the present time.

How can we have a runaway inflation at the present time? The facts belie the statement. Here we have commodity futures at a low and world trade depressed. When the economy of our country is operating below capacity not only in Canada but in the United States, how can you have a runaway inflation? How can this bomb go off at the present time? But if the gloomsters continue to pound away, then it may happen.

That would be a catastrophe, Mr. Speaker, because if our costs and prices continue to go up our competitive position both in our domestic market and, what is more important, our export market will be undermined. If that event happens Canada will be exporting jobs to the United States and other countries, Mr. Speaker; and this is one export which we the people of Canada cannot afford.

Mr. Denis: It is your job to deal with it.

Mr. Walker: And we are delighted to assume that burden. May I say to the hon. member that I enjoyed his speech yesterday when he himself tried to make a contribution to that end.

Mr. Denis: The sooner the better.

Mr. Walker: In the meantime, Mr. Speaker, I do not stop at flag stations. May I carry on with the vital part of my speech, if I may say so, with regard to a matter that is in the minds of all good Canadians, one which has been pointed up by the Prime Minister, namely the fact that the communist trade offensive poses the most serious threat to future employment and prosperity in Canada. In order to meet this threat—and my hon. friend who so kindly interrupted me realizes this fact—it will require not only responsible but far-sighted action on the part of every citizen, Liberal, Conservative and C.C.F., and every segment of our community. This is the only real solution we have for cost inflation. A policy of deflation, which the Leader of the Opposition appears to advocate at this time when the economy is already operating below capacity, would do nothing but cause further unemployment and further dislocation of industry without solving that extremely tricky and complex problem of cost inflation. The answer lies in the united effort by all the Canadian people.

May my concluding and final point be this. This problem of the communist trade offensive and the vital importance of expanded world markets to the future prosperity of Canada and, as a matter of fact, the rest of the world, were the reason for the Prime Minister's world tour. The Prime Minister and Canadians generally wish to increase economic co-operation between the east and the west—as I am sure do all members of the house—between the developed countries and the undeveloped countries, between those which have and those which have not. If we are effectively to combat this communist trade offensive then we, one of the western countries, with all the other western countries must join with the uncommitted eastern countries and work together for world trade.

That is the message which the Prime Minister took with him around the world. Mr. Speaker, I do not think the people of Canada have any idea what a tremendously successful commonwealth tour the Prime Minister had. I have taken the liberty of going through the press of all the countries of the commonwealth at the time he happened to be there. I should have liked to take the time of the house to tell hon. members—but because there are many others who wish to speak I will not do so—of the tremendous impression made by "Mr. Canada" during that tour. It was fantastic. Wherever he went he brought fresh hope and a new vision of commonwealth solidarity. He has done much, and we all recognize this, to cement the bonds of commonwealth by stressing in particular, and this is very important, the ties of trade. I should like to have gone on with what has been said in the different countries but may I just quote from the newspaper in India known as the *Hindu* of Madras. That newspaper had this to say:

> Mr. Diefenbaker has recently manifested a refreshing freedom from preconceived notions and prejudices. Mr. Diefenbaker reveals himself as a statesman who is interested in seeking remedies for the world's ills which will cure instead of worsening them.

In Australia's Sydney *Morning Herald* he was praised for "a vigorous and consistent Asian policy with firm aims imaginatively pursued, a condition of survival for this commonwealth." The London *Observer* summed it all up with these words:

> His great success was that he persuaded all those with whom he came into contact that whatever they had thought to the contrary they were fully members of a great fraternity in which they were regarded as good as the next man.

How important it is to convey that message. Finally may I place on the records of the house the greatest tribute of all, delivered by the Prime Minister of Great Britain at the Albert hall meeting when our Prime Minister

addressed an overflow audience. This is what the Prime Minister of Great Britain said:

> From the first talks we had together I realized that we had here a great man, and great because he had the one vital thing that any great man must have,—faith. He has faith in his fellow countrymen, in the tasks which Canada has to undertake and the contribution she has to make to the whole world. He has faith in the continuing and, indeed, ever-increasing moral and political value of that unique combination of nations which we call the commonwealth; faith as he has told you today, in the economic progress and development of an ever-expanding commonwealth based upon the steady development of industrial power and financial strength and, above all, faith that in the great secular struggle between the principles of freedom and communism the commonwealth can play an immense and, perhaps under providence, a decisive part.

That was the tribute of the Prime Minister of Great Britain. In this connection may I say that in the 19 months since the Conservative government took office commonwealth relations and trade have been stimulated as never before, first by the very successful mission headed by our able Minister of Trade and Commerce to the United Kingdom; second, by the Montreal conference presided over by our distinguished Minister of Finance; and finally by the world tour of the Prime Minister.

In conclusion may I say that it is time we united to boost our country. We are all good Canadians. Everybody in every party on both sides of the house is a good Canadian and none is a better Canadian than the other. But is it not time that we started to talk ourselves up? At the risk of appearing to be sentimental, and I do not feel that way at all, may I paraphrase words of Tennyson:

> To Canada, whom we love and prize
> Whatever statesman holds the helm;
> Hands all round
> God the gloomster's hopes confound;
> To this great cause of Canada
> Praise,—my friends,
> And all her glorious provinces
> Round and round.

Mr. Pearson: Mr. Speaker, I rise in respect of a quotation attributed to me by the hon. gentleman. I am not complaining, because he quoted my Montreal speech correctly from the press, but it paraphrased what I said. I sent for the text of my speech and fortunately I now have it here. There was only one reference to an inflationary time bomb in the speech, and perhaps I might quote what I said:

> The new borrowing requirements of the government exceed $1.5 billion and to the extent that they are met by increasing the money supply, that is planting an inflationary time bomb which might some day blow up.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, rather than make a speech concerning my riding, which has many problems, I am going to discuss one of the several national problems facing the Canadian people which I think should be brought to their attention. Canada is faced today with two major problems. One is unemployment and the other is inflation. In this debate my colleagues have offered to the government some advice in solving the rising unemployment situation. I should like to do the same with respect to inflation. That this problem is important was illustrated by the words of James Muir, president of the Royal Bank of Canada, when he said:

> We seem to have reached the economists' hell on earth; inflation and unemployment. The alternately "creeping" and "surging" inflation is apparently still the pattern in recovery as well as in recession. I believe that this chronic inflation is the greatest single threat to Canada's economic development. The disease must be studied, it must be understood, and it must be cured.

I was very pleased to hear that the previous speaker has considered this matter and has offered some suggestions to solve the problem. Economists in general are very concerned over the present economy of Canada which is seeing for the first time in history both inflation and unemployment. Previously it was felt that inflation would end unemployment, and many economists today are trying to find what change has taken place that produces this phenomenon.

The question can legitimately be asked, what is inflation? One opinion was advanced by Mr. D. E. Kilgour, vice president and managing director of the Great West Life Assurance Company who, when speaking in Montreal, said:

> Inflation is simply a technique of stealing money without the embarrassment of identifying the victim or too closely pointing out the benefactors. One thing is abundantly clear. It is that insurance policyholders are being victimized and also the holders of savings accounts, bonds and pensions. If this generation has not the fortitude or the wisdom or the restraint to control the grab-bag of inflation, we can destroy our democratic nations and our way of life.

Or, as was said on another occasion by Gladstone Murray:

> An honest dollar is the noblest work of government; an inflated dollar is the vilest.

Canada today has reason to show concern about the problem of inflation. Inflation is considered to be an essential element in a capitalist economy. An increasing labour force, technological advance and automation make it necessary to increase industrial production continually. Otherwise rapidly developing unemployment cannot be avoided.

It is estimated that a 5 per cent annual increase in industrial expansion must have a monetary inflation of from 1 to 2 per cent per annum to maintain such expansion. Therefore a capitalist economy cannot have both

full employment and a stable currency. This was realized by the people of the country when the Bank of Canada was established, because in the preamble to the Bank of Canada Act we find these words:

> Whereas it is desirable to establish a central bank in Canada to regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit and to mitigate by its influence fluctuations in the general level of production, trade, prices and employment, so far as may be possible within the scope of monetary action, and generally to promote the economic and financial welfare of the dominion—

That is taken from the 1956 annual report by Mr. Coyne. He goes on to indicate that each country is responsible for its own inflationary pressures where they exist. He states on page 4 of the same book that although most countries in the western world experienced a measure of inflation this was chiefly due to causes within each country and manifested itself more in costs of production and distribution than in raw material prices. After maintaining that some of these inflationary factors should be controlled by the federal government, he points out on page 5 of the report that "the so-called federal credit controls do not exist". He goes on further to indicate the fields in which they do not exist, referring particularly to finance companies operating without the controls which governments can and do exercise with regard to questions of interest and related matters.

With a steady increase in industrial development during the past century, the value of our dollar has continued to fall. Today the value of the Canadian dollar is less than half its prewar value in terms of purchasing power. Let us review what has happened to the economy of Canada in the last 20 years.

For the first six years, 1939 to 1945, under a partly planned economy, by the use of price controls implemented during the war inflation was very moderate especially when one considers the huge expansion that took place during those six years. By 1945, the end of the war, the Canadian people had accumulated a fantastic volume of purchasing power. This had been accomplished by the purchasing of war bonds, service gratuities and other methods of compulsory savings. All types of consumer goods were in short supply. It was obvious that if the wartime price controls were removed this great power in the hands of consumers to buy goods which were in short supply would result in severe inflation. The Canadian Manufacturers Association and other organizations with similar interests persuaded three of the political parties in Canada to press for the removal of these controls. The C.C.F. alone warned of the potential dangers to the stability of our currency and our economy.

However, the Canadian people who had at such great sacrifice saved their money now wished to purchase the consumer goods they had been unable to purchase for many years. The manufacturers, taking advantage of the short supply, boosted prices as high as the traffic would bear. We all know the disastrous results to the purchasing power of the dollar which occurred in the years immediately following the end of the war.

What is the situation today? The whole theory that the one and only cause of inflation is too much money chasing too few goods, causing a rise in prices, is no longer true. This theory was based on the premise that our economy would allow prices to find their own level. This theory is no longer true in practice, because today we see prices continuing to rise in the face of unemployment and a scarcity of money among a large segment of our population.

We contend that our problem should no longer be called "inflation" but rather "rising prices". We no longer have a situation where prices are mainly determined by the cost of production or demand and controlled within limits by the element of competition. Prices today are determined to an alarming extent by corporations, monopolies and cartels which, though less in number, are growing rapidly in size. This is especially true in the fields of basic materials; for example, in the price of steel, automobiles and energy. The determining factor in the setting of a price now is what the traffic will bear.

We in the C.C.F. wholeheartedly agree with the recent request by the Canadian Labour Congress for an immediate public investigation into the automobile, steel, farm implement and other basic industries. The congress is also to be commended for its demands on the government to strengthen the effectiveness of the Combines Investigation Act.

The people of Canada have a right to know if the reputed benefits to the consumer from competition are still available. The people of Canada are desirous of having a real investigation made so that they can determine whether or not there is any relationship between labour costs and retail prices. Statistics are available by the score to prove to us that both wages and prices are rising independently of each other.

In Canada today a concerted effort is being made to make labour the scapegoat

in an attempt to avoid discovering what are the real causes which produce rising prices. Let us examine, for example, the increase in wages compared with productivity for the years from 1947 to 1955. On page 397 of the publication "Output, Labour and Capital in the Canadian Economy" the author warns us that the productivity figures are at best to be regarded as rough estimates, but adds that these are the best figures available. The figures do not indicate that wages have increased over productivity, which, if it had been the case, might have been a cause of our postwar inflation. On the contrary, these figures suggest that wages have been slightly lower than the increase in productivity. This would tend to contradict completely the statements of the manufacturers association, newspapers and financial publications that increases in wages are responsible for the high cost of living. For this period, 1947 to 1955, productivity in manufacturing rose by 32.12 per cent and real wage rates by only 30.51 per cent.

It should be noted in fairness to labour that unions have sought increases which they were able to justify to conciliation boards and public opinion as only maintaining the standard of living that their employees had previously enjoyed. In many cases the demands of labour, based on the cost of living at the time of current negotiations are met many months and sometimes years after the cost of living has continued to rise, so that the worker finds after obtaining a wage increase that he has not been able to maintain his standard of living.

Mr. Graham Towers, former governor of the Bank of Canada, said the same thing a great deal more briefly on November 14, 1957, in a speech on inflation which he made at a joint meeting of the life underwriters' association of Toronto and the Toronto chapter of the institute of chartered life underwriters. This is what Mr. Towers said:

> Current discussions of inflation often refer to it as the "cost-push" type; and as labour is a very important factor in costs, price-increases more often than not are attributed to the successful efforts of labour unions to secure wage increases greater than increases in output per man hour. Labour, quite properly, I think, resents being saddled with a large share of the blame for the lower value of money. They are certaintly not responsible to any greater degree than all the rest of the population for what occurred during and immediately after the two world wars. It is not worth while to argue about the extent to which increases in wages in excess of increases in the productivity of labour have contributed to the rise in the cost of living during the last year and a half.

Organized labour, operating in our modern society, has an obligation to its membership to try and maintain the standard of living enjoyed by its membership. The Prime Minister (Mr. Diefenbaker) was, in my opinion, unfair when he addressed the Canadian Labour Congress convention in Winnipeg and asked them to hold the line on wages while at the same time making no effort to preach restraint to the other segments of our economy.

Mr. Towers pointed out that leaders of government have appealed for restraint on a number of occasions in the United States and the United Kingdom. Such appeals resulted in a growing awareness on the part of the public, but produced no tangible results.

The willingness of big business to cooperate with labour for the general economic good was clearly indicated in the United States when Walter Reuther, president of the united automobile workers, offered to maintain, or even lower, the wages enjoyed by his membership if the automobile industry would reduce the price of their cars to the consumer by $200. He was told to mind his own business, to run his union, and they would run their companies. The subsequent strike of 150,000 General Motors' employees obtained a sizeable increase based on maintaining the current standard of living which resulted in the wage increase plus interest being passed on to the consumer. In application, a wage increase is desirable to big business which operates, in the main, on the principle of cost of production plus a predetermined mark-up or profit. The higher the cost, the higher the profit. An example is Massey-Harris who in the ten-year period, according to the *Financial Post,* was able to increase its profits by 254 per cent.

Agriculture and agricultural leaders speak of the cost-price squeeze and it is an undesirable condition where the cost of the production rises while the selling price of the product remains the same or, in most cases, continues to fall.

Labour denies that wages are the deciding factor in our rising prices spiral. They contend that prices are rising because of other factors over which they have no control. The workers of Canada have no alternative but to join together with their fellow workers in order to protect themselves against the system under which we live. Many statistics are available to prove the returns to labour are only in line with increased production and are always lagging behind prices. Statistics are also available to prove that the non-labour part of retail prices has risen more rapidly than wage prices. The worst offender in the non-labour price rise has been the profit element. Just taking one example that appeared during the steelworkers' strike of local 1005, it was pointed out that the Steel Company of Canada had increased its net

profits after taxes in the ten year period from 1946 to 1956 by 790 per cent while at the same time the average weekly wages had increased by only 60 per cent.

Mr. Chown: Who wrote that speech, Stanley Knowles?

Mr. Peters: Now we come to the remedies proposed by the C.C.F. to control the problem of inflation. At this time I should like to welcome our new found friends in the Liberal party who have decided that we are correct in our assertion that we need a planned economy at least in times of rising inflation and increased unemployment. In supporting the C.C.F. subamendment which called for social and economic planning and which condemned the government for its failure to take effective steps to combat inflation the Leader of the Opposition (Mr. Pearson) as reported at page 353 of *Hansard* of January 26, said:

> On this occasion, however, Mr. Speaker, and this is in contrast to previous occasions when these words were used, we have noted a reference specifically to the confused policies of the government which were criticized by us, among other reasons, precisely because they were unplanned and were carried out in a piecemeal, hit-and-miss, short-sighted fashion. We agree that there is not the kind of economic planning which is both desirable and necessary to meet these problems which are before us today. Because we feel that that kind of planning is essential for this particular purpose, we shall be able to support and vote for the C.C.F. subamendment.

We commend the Liberals for having decided that at least in times of great need when circumstances cannot be controlled in the manner in which they tried to control them in the past they should join us and support our motions. We hope this will continue.

With respect to finding remedies for inflation, the C.C.F. recommends:

First, only a planned economy can stabilize the dollar and at the same time provide employment for the Canadian people.

Second, only a planned and integrated economy of the western world will enable our countries to solve their domestic problems and to meet the economic threat posed by a totalitarian world.

Third, a large share of our unproductive defence expenditures will have to be eliminated if we hope to meet the demand for essential goods and services. Defence production makes large demands on basic products such as iron, steel and energy.

Fourth, we propose that the present aim of scarcity so as to maintain prices be replaced by an aim of plenty, planned so as to lower prices. We must pursue a definite course of all-out production to maintain our own prosperity and to help fill the needs of the world. The rising prices of today have no relationship to scarcity.

Fifth, after completion of the full investigation of what actually determines prices, we should be prepared to advocate whatever price regulation—not price-freeze—is necessary on commodities to stabilize the purchasing power of our currency. Labour today, for example, is subject to conciliation boards, arbitration boards, boards of directors and certainly to public opinion. We already have wage controls. Then why should those who determine prices not have to justify the level of these prices at the bar of public opinion and, when necessary, to the authority of government?

Sixth, in the past, fiscal and monetary policies of government have served a useful purpose in efforts to control inflationary pressures. However, by the time this remedy had really begun to be appreciated the disease of inflation had changed its character. Today we claim that fiscal and monetary policies of government are not sufficient to deal with the problem of rising prices. Even the instrument of the Bank of Canada is inadequate in influence to deal with the problem of national currency and credit. James Muir, president of the Royal Bank of Canada, in speaking on this matter of influence by the Bank of Canada, said:

> Thus at a time inflationary pressure is growing, the indicated policy of the Bank of Canada, monetary restraint, may run directly counter to the financial needs of government.

It is for this reason that for many years now we in this group have advocated the establishment of a national investment board to ensure that all these institutions and individuals having to do with currency and credit in this country be made to pursue policies that are in the public interest. When the C.C.F. was formed in 1933, a basic plank in the Regina manifesto was a call on parliament and government to assume complete control of national currency and credit. The setting up of the Bank of Canada and a tightening of insurance regulations were but faltering measures to that objective.

Old age pensions and other pensions, life insurance and savings of all kinds are being hit exceedingly hard by inflation. The old age pensioner today receives a monthly pension of $55 but compared with the purchasing power of the dollar in 1949 he receives a pension valued only at $43.96 on the basis of the consumer index. A retirement pension put away by a workman in prewar days of approximately $100 a month would buy him only half the goods it would have bought at the time when he earned the money.

Mr. Ricard: Would you prefer that they have no pension at all?

Mr. Peters: Savings in banks have been hit, as I said. This is something to which the

government must give consideration. Certainly all the leaders of banking institutions are considering the implications of inflation and now it is time for the government of the country to do something about the matter. Because costs have risen in the matter of food, shelter and clothing, pensioners of all kinds are undergoing great difficulty. In these three basic commodities the rise in the cost of living has been greater than in any other field, and certainly this matter of inflation has taken its toll on the savings and the pensions of the Canadian people.

I have attempted, Mr. Speaker, to show that since the days of the industrial revolution, either inflation or unemployment has plagued our society. Today Canada is faced with both inflation and unemployment for the first time. Indeed, the only time we had a relatively stable currency and full employment was when we were at war and had a planned economy. The problem today, with the disappearance of free enterprise and competition, is really one of rising prices and not of inflation as we used to know the term. Today corporations, monopolies and cartels, with tremendous powers are determining prices on the principle of what the traffic will bear. The activities of these powerful forces need to be curtailed, in that they must be prepared to act primarily in the public interest. This control of those who exploit our human and natural resources must be supplemented by control of those who deal with currency and credit within our country. We feel that the measures we propose are essential for the health of our own economy and are also essential to the interests of the free world in general and the needs of mankind.

Unless these concepts are adopted, real confidence cannot be restored in the hearts of Canadians. Uncertainty, indecision and floundering can be disastrous and can lead us to chaos. Mere palliatives will, at least, lead only to brief periods of rapid expansion and flash-in-the-pan prosperity. Those responsible for government must analyze what has happened over the past century and also consider the vast changes which have taken place within the last generation. Such an analysis must then be followed up by long range policies. Only in this way can real confidence and prosperity be given to our people. There is a growing body of responsible, well-informed and thinking people which is rapidly coming to the conclusion that parliament and government, and especially this parliament and this government, must assume responsibility for the economic welfare of our nation and of our people.

Mr. Chown: What are you going to call the new party, the Liberal-Labour party or the Labour-Liberal party?

Mr. Peters: That is as good a name as any.

Mr. J. W. Baskin (Renfrew South): Mr. Speaker, it is an honour for me to rise on this ninth day of this debate and take part and follow some of the distinguished members who have already made their contributions. Before I begin I would like to join with other members in offering my congratulations to the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne, the hon. member for Provencher, who gave such a clear account of the problems of the prairie farmers and of agriculture in general and the hon. member for Montmagny-L'Islet who made such a strong and sincere plea for the rights of the individual no matter to what race or religion he might belong. I think it is important for us to remember that our belief in one Canada is stronger than all the things which may have helped to divide us in the past.

To you, Mr. Speaker, I wish to say how extremely pleased we all are to see your return to the chair. You have always discharged your duties with dignity and impartiality and you have thus gained the respect of each and every member in this house. The same remarks apply to the Deputy Speaker.

This is the second parliament which I have attended as the member for the constituency of Renfrew South. During this time I have had the opportunity to compare the throne speeches of this government with those of the previous regime and I am particularly impressed with the content of this throne speech. Outlined in this speech is the confidence which our Prime Minister (Mr. Diefenbaker) and his cabinet and the supporters of this government have in the men and women of Canada. Put briefly, the throne speech is a vote of confidence in Canada and in the Canadian people. It was once sufficient for a government to make a few platitudinous statements about our canals and the state of our economy. Today we are concerned with our whole country, with the welfare of our fellow Canadians and with the broad aspects of human relations between our people everywhere, yes, and with Canada's role in a world where time and distance are being shrunk in ratio to the increased speed of communication.

Canada, as we know, borders the two most powerful nations in the world today, namely the United States of America and the Union

of Soviet Socialist Republics. This is a geographical fact, and if we ignore the responsibility our position as a middle power entails, then we shall be doing a great disservice both to ourselves and to the other peace-loving nations of the world. We as a nation have confidence in each other and in the other nations that with us are seeking a lasting peace in the world today. I believe that without that trust and confidence in each other none of us can live in freedom and security.

A few days ago the Leader of the Opposition spoke about the state of the Canadian economy. I was struck with the substance of his remarks which showed a woeful lack of confidence in both his country and the men and women who live in it. For years the members of the former government, now in opposition, clung to the 49th parallel with a sort of ostrich-like blindness. When they did lift their eyes they always seemed to be facing south, seeking help from our neighbours. Their lack of faith held us all, or most of us, bound to the settled portions of our country.

This is now changing through the government's national development policy. The members of our government have told the people of this country that we have faith in the future of Canada. We have chosen to identify ourselves with the men and women who are showing the courage and the foresight to move north and to take their chances in the vast and challenging new areas which are being developed. We do not believe that it is the duty of our neighbours to the south of us to show us how to develop our own country. We believe that if we are to have sovereignty over the thousands of square miles of our northland, then we as Canadians must go there and live, and Canadians are doing just that. The Minister of Northern Affairs and National Resources (Mr. Hamilton) deserves special credit for the initiative and enterprise he and his department have shown in this regard.

I have mentioned these matters because our friends across the way are more accustomed to dealing in division than in the strength of unity. When they speak they still show that they lack confidence in the very people they represent, the men and women of Canada. They do not want to recognize the responsibility of leadership and the playing of their role of opposition; they are more concerned with the negative view of opposition than with the positive role of constructive criticism. They still suffer from the complex of defeat and they are still tempted to blame the Canadian people for that defeat rather than their own shortcomings.

Many have been the achievements of this government since it took office. Of great concern to each and every member of this government has been employment—and I emphasize "employment"—dollars in the working man's pocket. The government cannot look after every field of employment but this government has been able actively to promote construction across Canada. I would like to put on the record at this time a few facts that were outlined at the Canadian construction convention held in Montreal last week. I quote H. J. Ball, the retiring president of the association. The headline in the paper reads:

> Many healthy developments in 1958.

The article reads:

> Construction tops $7 billion.

Mr. Ball goes on to say:

> The trend towards larger construction programs should continue in 1959, with a total of perhaps $7.5 billion.
>
> A total of $7.5 billion of construction means the employment of over 625,000 Canadians in construction operations and an even greater number manufacturing, transporting and merchandising construction materials and equipment or supplying services dependent upon construction activity. It will mean that over one out of every five dollars spent in Canada in end goods and services will be a construction dollar.

In 1958, while all this construction of new homes was taking place, there were over 150,000 units completed, the biggest home-building boom in Canada's history, and 1959 promises to be just as good. What impetus will this building boom have on our immediate future? Once again our factories are commencing to hum, our manufacturers are busy and will be much busier. Heavy industrial machinery, new stoves, refrigerators, washing machines and furniture will be required. My colleague, the hon. member for Grey-Bruce (Mr. Winkler) advises me that for the first time in many years the furniture factories in his riding are operating on an overtime basis.

I have just mentioned the 150,000 houses completed last year in Canada. We all know that this is a direct result of the action taken by this government in amending the National Housing Act to provide an additional amount of $350 million. My home county of Renfrew was able to obtain from this fund the sum of $1,615,922, and from our banks and loans companies an additional amount of $649,000. These sums provided 231 new housing units in our area. Over and above this, our Department of Public Works has awarded contracts in Renfrew county for approximately 500 units having a total value of $6,137,800. The Department of Defence Production is presently processing tenders for a new $1 million

project near Eganville in my riding. This project will be under way early in February, and it will involve a considerable labour force. A great deal of material will be required, material which is manufactured in the district. Our carpenters, bricklayers, plumbers, electricians and, in fact, all tradesmen can look forward to a more prosperous year.

In so far as hospital construction is concerned, we plan to spend in the coming year more than $2 million. This will include a new 32-bed hospital at Barrys Bay, to be named the St. Francis memorial and district hospital. It will serve the western area of Renfrew county, a portion of Nipissing and part of the adjoining ridings of Hastings and Hastings-Frontenac. The estimated cost is in the neighbourhood of $400,000. There will be a three-quarters of a million dollar addition to the Arnprior and district memorial hospital and a one million dollar addition to the Victoria hospital in Renfrew. This new hospital construction is a direct result of the action taken by this government when they doubled the hospital construction grants early in 1958. A great deal of credit is due to our Minister of National Health and Welfare (Mr. Monteith) for the role he played in the introduction of this legislation.

The Canadian civil defence college at Arnprior, Ontario, comes within the jurisdiction of our Minister of National Health and Welfare. There are about 100 men and women employed at this college and during the past year 3,524 Canadian citizens received training at the college. Citizens from across Canada who have trained at this college, and the citizens of the town of Arnprior and district, are indeed grateful to our government for the rebuilding in 1958 of the road that leads to the college. All of this is a direct result of the boldness, the imagination and foresight of this government. We have not been able to cure everything in Canada since we took office, but we have swung the economic pendulum in an upward turn.

The hon. gentlemen in the opposition want to remember just how fast we were heading towards a serious depression in late 1956 and early 1957 when they were swept out of office. There are those of you who will not admit it, but the Canadian people knew what was going on, and that is why you were voted out of office. You had become all too powerful, and had long since forgotten that you were the servants of the people and not their masters.

Returning to my constituency, I should like to note that our manufacturing firms greatly appreciate the co-operation they have received from the various departments in our government, especially the Department of Defence Production, the Department of Transport and the Post Office Department. These manufacturing plants are keenly interested in our government's aircraft and missile program. They are hopeful of participating in the manufacture of equipment which is to be installed on the proposed new guided missile sites in northern Quebec and northern Ontario.

My people were greatly concerned over the fact that Canadian National Railways made application last November to the board of transport commissioners for the discontinuance of the railway passenger service between Ottawa and Barrys Bay. The board met in Pembroke with all interested officials and citizens concerned. Following a two-day hearing, the application of the Canadian National was not approved. The discontinuance of this service would have completely shut off a section of the people in our county. I am pleased to say that the Canadian National Railways is now in the process of instituting a new and modern service. I wish to say to our Minister of Transport (Mr. Hees) how very much our Renfrew county citizens appreciate the decision of the commissioners, and through him I wish to thank them.

Television reception is not satisfactory in many areas of the riding I represent. This is particularly true of the Eganville area and westward to Barrys Bay, Madawaska and Whitney which is on the borderline of Algonquin park. The government and the C.B.C. are very much aware of this situation because I have made numerous representations about it during the past year and a half. I have made these representations, not only to our Minister of National Revenue (Mr. Nowlan) but also through him to the general manager of the C.B.C. Our people in Renfrew South, of course, realize that the same situation prevails in many other areas of Canada. I am pleased to say that this year a number of new low-power transmitters will be installed to correct this situation, and I have been advised that better reception will prevail in my constituency in the not too distant future.

There has been a need in all sections of Canada for new postal services and extensions to existing services. I wish to commend the Postmaster General (Mr. Hamilton) and his entire department for the vigorous action they have taken to improve the postal service generally across this country. Renfrew South, which I represent, covers a large rural area and at the time this government took office in June, 1957 many of my constituents were dissatisfied with the rural mail situation. At that time the density requirement throughout the rural areas of Canada was

four householders per mile. In a number of areas in my riding, as well as elsewhere in Canada, citizens were not receiving daily mail because the density of householders along many of the concessions was less than four per mile. The change in the density regulation has meant new rural routes and extensions to existing routes. Ninety-two new routes have been established and some 1,700 extensions authorized, serving approximately 40,000 additional patrons.

Householders served by rural routes and suburban services now total over 600,000. I know that the people deeply appreciate this improved service. We have not completely corrected the situation, and will not until the density requirement is reduced to two householders per mile. I have brought this to the attention of our Postmaster General. I believe that we have a Postmaster General (Mr. Hamilton) whose sympathies lie in this direction and that perhaps action will be forthcoming in this regard.

These are some of the things that are going on in my constituency and elsewhere in Canada. I have mentioned these construction projects, all of which have been made possible through the co-operation of the various cabinet ministers and the hardworking civil service in their respective departments. When you multiply this many times —and I know we have 208 members on this side of the house who are extremely active in this regard—you have some idea of the amount of effort that is being put into new development in this country under the leadership of a new and vigorous government.

For the future we are hopeful of increasing in my riding iron ore production in the townships of Bagot and Blythfield, near Calabogie. The first few carloads of ore were mined there in December. It is hoped that full scale production will soon make this development an important part of our economy.

These accomplishments are not the work of any one individual. They represent the work and co-operation of many people. They also reflect the confidence of men and women in their government. Here I should like to say something about that confidence and the leadership that inspires it. When hon. members opposite or some of them were in office they were happy to think themselves supermen or at least they became known as such; but events have served to show them as something considerably less. The government which is now in office does not claim to be made up of supermen. But one great difference exists between it and the hon. members opposite. I refer to the leadership that these men and women are giving to this country. Particularly I should like to speak of the Prime Minister who, I believe, has made his greatest contribution in the field to which I referred a little while ago, namely that of confidence in his fellow Canadians and in the future of this country.

On December 30 last he was interviewed by the *Christian Science Monitor*. I have the *Christian Science Monitor* and I wish to quote from it. When the Prime Minister was asked the question, what is Canada's most significant development today, he answered as follows:

> Surely it is this dynamic new concept of Canadianism. It is a feeling of unity, and it is a sense of destiny, an awareness of what Canada can contribute in this churning world.

Surely, Mr. Speaker, this is the kind of positive, hopeful statement that the Prime Minister of Canada should be making to the world today. There is nothing boastful about this statement, nor is it one calculated to frighten other nations. Rather, I believe it is a statement made by a distinguished Canadian who, along with other members of his party, has an awareness of the important position his country must play as a bridge between nations.

In this respect I should like to refer to the commonwealth trade and economic conference held in Montreal last September. The scope of their deliberations was as broad as the diversity in interests of those who gathered around the conference table. Yet while the delegates at Montreal represented countries at every stage of economic development, every colour, culture and creed, they met not as strangers but as members of the same family. It is noteworthy that the theme of the conference was "an expanding commonwealth in an expanding world economy". The opposition may try as they will to downgrade the importance of this conference, but their criticism and their attitude are seen for their true worth when contrasted with the evaluation of the success of the conference made unanimously by the representatives of the commonwealth countries who participated. At the conclusion of the conference Right Hon. Derick Heathcoat Amory, Chancellor of the Exchequer, had this to say:

> In the opinion of us all, I am sure the results of our work here have amply justified the bold initiative of your Prime Minister, Mr. Diefenbaker, in proposing this conference a year ago. Looking ahead, it was hard to visualize that we would be able to cover so much ground and to reach so many decisions of great importance to our commonwealth aim of expansion and prosperity.

Before leaving this subject, Mr. Speaker, I should like to mention the role of the Minister of Finance (Mr. Fleming). The success of the commonwealth trade and economic conference was in no small measure due to the

outstanding leadership given the deliberations at Montreal by the Minister of Finance.

On Wednesday, January 21, the Minister of Trade and Commerce (Mr. Churchill), when he rose to take part in this debate, referred to the period of our history between the years 1867 and 1896. He reminded us of the spirit of confidence and optimism demonstrated by that great Conservative, Sir John A. Macdonald, the man who brought forth confederation and who was instrumental in the building of the C.P.R. which linked all Canada together. It is my belief that our party has never lost that spirit. I also feel that this same spirit was prevalent in the house last week when the Minister of Transport announced that Canadian Pacific Air Lines had been given the right to operate a daily service from Montreal to Vancouver. This announcement means that not only is Canada linked from coast to coast by two major air lines but that the passengers will be able to fly across this country and to other cities of the world without changing aircraft. This action, is significant of our optimism for the future and a further development by the government of Right Hon. J. G. Diefenbaker.

The Leader of the Opposition, a few days ago, spoke in terms of "ruin, confusion and doubt". It seems to me that his words, if they reflected anything, reflected the temper of his own party. I am certain that the majority of the Canadian people would not agree with him. Most of them are too busy earning a living, educating their children and carrying out their responsibilities as citizens to take this kind of wishful pessimism seriously.

To me, the future of this country appears to be extremely bright. The population by 1970 is quite likely to be at least 30 million. This means work and prosperity. It seems to me that opposition members should stop reading in *Hansard* old speeches of the years 1931, 1932 and 1933 and then getting up and repeating them as they have done during this debate. In my opinion this country is headed for no depression. Rather, it is headed in the opposite direction. We are on our way up.

For too long now the opposition have shown enthusiasm for only one subject, namely unemployment. Actually, Mr. Speaker, from the way in which they dwell upon it you would think that they had invented it. As far as we on this side of the house are concerned, we are doing our best to get rid of it. Whether hon. members opposite like it or not, they are going to have to find a new theme to replace unemployment, because once again Canada is marching forward steadily and assuredly. Yes, Mr. Speaker, the members of this government, placed here by the people of Canada, are finding an answer to the recession and to the problems bequeathed to them by those members who sit in gloomy judgment upon themselves across the way.

Hon. Paul Hellyer (Trinity): Mr. Speaker, may I first of all express my congratulations to you upon the high position you occupy in this house. Although I have just had the pleasure of meeting you for the first time this session, I know that you have those fine qualities of tact, diplomacy, patience and good humour which fit you so admirably for the position you now hold.

Second, Mr. Speaker, I must congratulate the mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address in reply to the speech from the throne on their very creditable launching of this debate. Their contribution is recognized and appreciated. I hope also that my three hon. friends who were introduced at the opening of this session will find their work as challenging, interesting and rewarding as I have.

Third, Mr. Speaker, may I express through you to the electors of Trinity my gratitude for the honour they have given me. I received support from men and women of every race, colour and creed, people of varied backgrounds who all believe in the British parliamentary system and who felt it was imperative at this time that the people of metropolitan Toronto have a voice in the opposition. I appreciate their confidence and I assure them that I will do my utmost to prove worthy of the trust that has been shown. I regret the circumstances which made the by-election necessary and wish to join those who have paid tribute to the late Mr. Lockyer. He was a fine gentleman who received a great mandate last March. I join in the expressions of sympathy to Mrs. Lockyer.

There are many serious and urgent problems facing us at this time. I feel a bit sorry for the Prime Minister (Mr. Diefenbaker) and his government but actually most of the problems are of their own making. Now they must face the difficult task of finding solutions. Among the most pressing of the problems are unemployment, inflation and defence. I intend to leave my remarks on the subject of defence until another time and to consider today the joint problems of unemployment and inflation and later, as it relates to them, the matter of trade.

I must, of course, talk about unemployment. It is something that affects tens of thousands of my fellow Torontonians. I have had the experience of learning about this problem in

terms of people rather than in terms of statistics. On the subject of statistics, however, I know that quite a number of people seeking work in Toronto are not registered with the national employment service and consequently the figures we get do not include all the people seeking work. One family I visited, a family of five, had no income, no money, a very sick boy in bed, three prescriptions from the doctor and no money to fill the prescriptions. Another man and his wife were living in one room without food and without adequate fuel for their stove. There are many other cases of equal hardship, and one cannot possibly come in direct contact with people living in these conditions without rebelling against a situation which permits such a thing.

This is not an underdeveloped country without sufficient resources to supply the basic needs of our people. It is a land of riches and it is not right that we should have so much poverty and distress in the shadow of plenty. It is not necessary to remind you, Mr. Speaker, that the unemployment problem is twice as grievous now as it was under the former administration. This has been said many times and will be repeated until corrective action becomes effective. Not only do we have more people unemployed and for longer periods of time but these same people are being penalized through inflation. The prices of the things they need to keep body and soul together are rising and getting even farther beyond their reach. Unemployment insurance and relief payments buy even less of the necessities of life and prove quite inadequate for sustained periods. It is not good enough to say that we had inflation under the previous administration. The inflation of the immediate post-war period and the Korean era were caused by trying to do too much in too short a time, by overtaxing the physical capacity of the Canadian economy. The inflation of today is of an entirely different sort. We now have unused resources and hundreds of thousands of unemployed workers. Inflation under these circumstances cannot be condoned. It is a disease, an insidious, cancerous growth which eats at the very foundation of our economic system. It must be stopped before confidence in our currency is destroyed.

We were told that the reconversion loan of last year was designed to help control inflation. Until that contention is proven some of us may be forgiven for the notion that is was more inflationary than otherwise. At least the cost of borrowing is up, municipal taxes are up, federal taxes will have to go up or deficits increase, and the cost of doing business is up, all as a result of one financial adventure by the new Minister of Finance (Mr. Fleming).

Mr. Nesbitt: Rubbish.

Mr. Hellyer: We will wait with interest to see if he is now able, as he categorically stated, to keep inflation in check.

Mr. McGee: How is the house building business?

Mr. Hellyer: Furthermore, the currency debasement which was necessary to finance the federal deficit did, is and will add greatly to the inflationary fires. In a year when the total output of physical goods and services did not increase we have had the greatest increase in the money supply in recent history. This is an old trick, practised by ancient kings. It is interesting to note that some of them subsequently had their heads rolled when the people became aware of their mischief.

But, say some people, there is no difference between the parties. What would the Liberals have done differently? The difference is that we would never have allowed this to happen.

Some hon. Members: Oh, oh!

Mr. Nesbitt: The best joke of the year.

Mr. Hellyer: Conditions would never have been allowed to deteriorate to the extent that they have in the last 18 months. No Liberal government would ever have launched the great reconversion loan with its consequences for Canadians yet unborn. Nor, Mr. Speaker—

Mr. McGee: Would the hon. member permit a question?

Mr. Hellyer: —would we have had to increase the money supply by $1,750 million in the same 18 months to finance a huge deficit because we had adopted the attitude that we would only undertake such ordinary expenditures as we could afford to pay for. We know that the great expansion in government expenditures was not necessary. We have the word of a minister of the present government on that. As a matter of fact, he believed that they could have been cut. Listen to the hon. member of Greenwood (Mr. Macdonnell), as recorded on page 2464 of *Hansard* for March 19, 1957:

> I am not going to weary you with a long dissertation on government spending. Everyone who is not a moron knows that it could be cut down. It is like the weather. Everybody talks about it but nobody does anything.

And, Mr. Speaker, under a Liberal administration the real output of the country would have continued to expand, albeit at a temporarily reduced rate, because we would

have expanded trade rather than contracting it. The Liberals have been out of office and the situation has deteriorated. People will soon become tired of hearing why it has happened and will want to hear what should be done about it.

Mr. Nesbitt: Tell us.

Mr. Hellyer: Be patient. The extent of the deterioration makes the problem all the more complex but none the less real.

The government has launched a program of public works as its solution. It is a well known fact that public works are no solution at all. The effect on employment is delayed and the number of persons employed is very small in relation to the vast expenditure. No, Mr. Speaker, public works, other than those of a self-liquidating nature which generate additional employment, are not an answer. The answer is trade, domestic and international. It is interesting to note the interrelation between domestic and international trade. When international trade declines, domestic activity seems to follow suit. Likewise when international trade increases, domestic output increases together with employment.

What has been the government's position on trade? The British made a proposal. It was an obvious attempt on the part of the British government to encourage trade and increase the volume of transactions between our two countries to the advantage of each. Was it given serious consideration? Apparently not. It seems to have been summarily dismissed by the Minister of Finance. Surely, we should give serious consideration to such a forward-looking and liberal proposal. If not, the British are likely to view with scepticism the pious pronouncements of the Prime Minister and his ministers during the election campaign.

According to the newspapers, the British West Indies Federation has suggested a customs union with Canada. Our products are complementary, and the immediate acceptance of their proposal would likely result in nothing but benefit to each. It is strange that there has not been a single word from the government on this proposal either.

In short, the government's reaction to trade has been the traditional Conservative one of running up trade barriers with the inevitable consequence of lower business activity and greater unemployment. In addition to urging the government to reconsider the British proposal and to consider seriously the one from the British West Indies, I wish to put forward a few broader suggestions about how it would be possible to increase international trade. I must make it clear that the proposals I intend to outline, although strictly liberal in nature, have not been considered by my colleagues and, consequently, are presented as my own views.

I am a convinced and unrepentant free trader. Oh, I fully appreciate the impossibility of achieving a world without tariff barriers overnight, but I believe it is a goal to be sought. The recent pronouncements of the soviet leaders that they intend to outstrip the west must be taken seriously. Undoubtedly in the world struggle in which we are engaged the soviet will bend every effort to equal and, if possible, to surpass us in the fields of military preparedness and domestic production and trade. Whether they are successful or not depends on ourselves. To keep our front, the western world must expand production and trade in each of its component parts. We must have something better than we now have. Surely a system which permits 10 per cent or more of the available labour force to sit in idleness needs to be streamlined. These conditions are not good enough to merit support at home or acceptance by the uncommitted nations abroad. We cannot casually accept the existence of poverty, misery and hardship in a society which claims to be affluent. One of the great mechanics available to us in the pursuit of expansion is increased trade.

The Liberal party should be complimented on its effort to expand trade since world war II. The General Agreement on Tariffs and Trade has been a noble experiment and has undoubtedly encouraged a higher level of international trade than would have been possible without it. Canada has been a world leader in its efforts to make the agreement work and has always—at least until quite recently—tried to live up to the spirit and the letter of that agreement. The great weakness of GATT has been the fact that the intent and spirit could be frustrated and to a degree made ineffective by customs regulations and interpretation.

Let us consider, as an example, the trading relations between Canada and the United States. I have seldom heard a red-blooded Canadian manufacturer admit or infer that he could not meet United States competition on equal terms. All most manufacturers ask is the same access to United States markets that his United States competitor has to the Canadian market. Unfortunately for many products and industries such has not been the case. It has been because of this one-sided aspect of trade and the frustration of trying to do business with the United States within the terms of its customs regulations which have caused many people to appear to reject the principle of free trade and to fall back

upon the old cry for protectionism. This is a most unfortunate effect and tends to divert attention from the real principles involved.

On the subject of what trade really accomplishes, the Conservative and Liberal approaches are opposite. Let us consider for a moment the position of the people living on the Japanese islands. They have to trade to live. They literally cannot produce enough food domestically to keep themselves from starvation. They must exchange manufactured products for food. The moral answer to this problem is clear enough. If we believe in the brotherhood of man we must accept responsibility for our fellow mortals. We must not just allow, but actively help these people to earn a livelihood. Any other course would be inhuman and certainly unchristian. If we fail we drive them to the point of desperation where they have only two alternatives—starvation, or a war of aggression, or self-preservation, depending upon one's point of view.

The economic answer is not as clear, nor as universally agreed. The Conservative views the import of Japanese manufacturers as a direct threat. The goods imported and consumed in Canada cause the unemployment of those Canadians who would otherwise have produced an equal volume of the same merchandise. The Liberal does not look on the import as an isolated transaction. The Liberal knows that every dollar earned by the Japanese for their manufactures comes right back to Canada, most of it for wheat and barley. The farmer receiving the income from his grain decides to buy a new car or a new tractor. The automobile or implement manufacturer buys tires, accessories and other components for his product, and on it goes. Trade is a chain reaction. When trade is expanding, income and employment expand. When trade contracts, business slows down and bread lines grow.

I should not like to imply that there are not some specific industries that feel the pinch from specific imports. There are some, but actually, in most cases, it is not an entire industry but specific products of an industry which face stiff competition from abroad. The loudest objections come from industries where the management is inflexible and not aware of the possibility of new products and new markets.

Taking our great industrial complex as a whole, one concludes that it would benefit from expanded trade and this benefit would be reflected in higher profits and greater employment. How then can we achieve the goal of increased trade within our terms of reference, the real world in which we live? I think the present General Agreement on Tariffs and Trade which has served its purpose and been a useful experiment should not be renewed. Such a radical proposal could not be made, of course, without an alternative proposal which is more likely to accomplish the desired result.

I would beg to suggest, therefore, that instead of renewing the present agreement that a new one be negotiated along the following lines. Each signatory nation would agree to two schedules of tariffs, one for most favoured nations and one general list. The lower schedule for most favoured nations would then apply to imports from all signatory nations which had imported from the world on an average for the preceding three years an amount equal to 90 per cent or greater of its total exports, on current account, averaged over the same three years. Non-signatory nations would be subject to the general list.

The effect of this mechanism would be to provide each nation with a real and tangible incentive to buy from the world approximately the same value of goods and services it hoped to sell to the world. It would also alleviate, if not eliminate, present problems related to the convertibility of currencies. Customs regulations and other devices would not be able to frustrate the workings of international trade because each nation would be able to freely choose whether it wished its exports to receive most favoured nation treatment or not, and there would be a natural and automatic corrective.

Assuming, Mr. Speaker, that some such arrangement could be agreed upon, and that it did encourage world trade on an unprecedented scale, we still have another grave and urgent problem which faces us. It is the disparity of living standards between the peoples of our several countries. Particularly the gap in standards between Canada and the United States on the one hand, and various countries of Africa and Asia on the other hand is most striking.

One does not need to be a historian to know that many wars have been caused by political decisions taken on the basis of economic facts. Without going into a dissertation on the relative merits of the ascetic as against the opulent or abundant life, it suffices to say that from the beginning of time there has been conflict between the "haves" and "have nots". Here again there is both a moral and a practical aspect. There is no question morally but that we should help the people of the less developed nations to bring their standard of life more closely in equilibrium with our own. From the practical aspect, we have to do it or as surely as night follows day someone will ultimately wrest from us

our apparent material advantage. As so often is the case, the moral solution and the one which might be described as enlightened self-interest are identical. How then can we accomplish this goal in an orderly and acceptable manner?

Trade, not aid, is the cry. How often have we heard these words hollowly sung. And yet that simple idea states briefly and accurately the only workable solution. The less developed countries do not want largesse. It is suspect. It is also humiliating and takes away their self-respect. Proof of this lies in the fact that after our most generous neighbours, the people of the United States, have given tens of billions in aid to countries all over the globe that they are not really liked, collectively, in most of these nations. Aid smacks too much of the rich aunt or uncle patronizingly doling out various amounts in accordance with the likeability of the nephew or the relative merit of the project.

Please do not misunderstand me, Mr. Speaker. I do not mean that financial aid, technical assistance, etc., should be withdrawn. The point I am trying to make is simply that aid with or without strings attached is no solution. Trade, not aid, is the acceptable long term solution to equate the relative standards around the world. As I said earlier, it would be quite unrealistic and impractical for even the most fanatic free trader to suggest the removal of all trade barriers at this time. How then can we pay the idea more than lip service, without bringing about a chaotic result?

The answer, might be tied in directly with my earlier proposal for a new general agreement. Once the nations and peoples of the world accept the necessity of such a course of action, and are willing to go the second mile and make the proposal work, the action can be complementary and continuous.

I would suggest, therefore, that when the schedules of tariffs had been agreed upon by the signatory nations that they would then agree to reduce the most favoured nation schedule of tariffs by a minimum of one-fiftieth per annum and the general list by one-hundredth per annum. That means that at the end of 50 years all tariff barriers would be removed between trading nations. The general list reduced by half would still apply to nations which chose to restrict imports below the required level.

What a prospect, Mr. Speaker. The whole world as one market. The possibilities are staggering and unlimited. Only by some such positive approach can we hope to achieve a lasting peace in the world and good will between men; alleviate the unemployment at home and raise the standard of life everywhere. The time has come when we must take our stand!

(Translation):

Mr. Gerard Bruchesi (Beauharnois-Salaberry): Mr. Speaker, it is not without some diffidence that the youngest member from Quebec is venturing upon his maiden speech in the House of Commons. To me, and to a great many of us, the first session was a period of adaptation after the result of the recent election.

Once we are more familiar with customs of parliamentary life, we find it easier to join the great family forming this house, and to bring our contribution, however small it might be.

It is with great pleasure that I associate myself with previous speakers in congratulating the members for Grenville-Dundas (Mrs. Casselman), for Springfield (Mr. Slogan), for Montmagny-L'Islet (Mr. Fortin), for Trinity (Hon. Paul Hellyer), who, at the beginning of this new session, joined the parliamentary fraternity.

I congratulate the hon. member for Provencher (Mr. Jorgenson) and the hon. member for Montmagny-L'Islet who, as mover and seconder of the address in reply to the speech from the throne, brilliantly outlined various problems, the one about our greatest national asset, agriculture, and the other on national unity, a purpose that all here should strive to achieve.

May I be allowed, Mr. Speaker, to say a few words about the constituency of Beauharnois-Salaberry, which I have the honour to represent in this parliament. On March 31, 1958, the people in my constituency celebrated a fiftieth anniversary. It had been 50 years since a Conservative member had represented that constituency in the parliament of Canada. To find the last Conservative member, defeated in 1908, we have to go away back to the time of Mr. J. H. G. Bergeron, nicknamed the "Beauharnois boy", who might be remembered by several of the senior members of this house.

The constituency of Beauharnois-Salaberry which extends from Châteauguay to the U.S. border, and through the cities of Beauharnois, Salaberry and Valleyfield, is comprised in a triangular area which, according to economists, is the Quebec area where the greatest development will occur in the next 20 years.

This year will be an historic one for Canada; it will mark the opening of the St. Lawrence seaway, and the beginning of a new era. The constituency of Beauharnois-

Salaberry right by the new seaway, should be the scene of a new development in various industrial fields, since on both sides of the canal which crosses my constituency for a distance of about 15 miles, there are vast parcels of land that would be ideal locations for new industries. We must not forget that today Beauharnois is synonymous with hydro-electric power. In fact, within the next few months, that plant will be able to supply over 2,200,000 horse-power. This power is bound to attract many industrialists looking for suitable locations for new plants to supplement the many others already established in the constituency.

I think it would be advisable to consider expanding the port facilities at Beauharnois, so as to relieve the congestion at Montreal harbour and to reduce shipping costs of plants already located in the area, such as the Aluminum Company of Canada, the Electro Metallurgical Company and the Standard Chemical Company, all of which are expanding their plants this year, which shows their confidence in the Canadian economy.

The constituency of Beauharnois, like the others, is faced with many more or less serious problems.

All levels of government should, therefore, try to have answers ready for future problems.

In my constituency as elsewhere, there is unemployment although, incidentally, it is now 15 to 20 per cent less than it was last year. I think it is high time our friends opposite stopped juggling with the figures, for they are distorting the picture and destroying people's confidence.

One of the main problems facing the citizens of Salaberry-de-Valleyfield, the largest city in my constituency, has to do with textile products.

The plant operated by Montreal Cottons Limited, largest plant of its type in the area, also the oldest since it dates back to 1873, has run into many problems in the past few years.

About eight years ago, this firm had some 3,000 people on its pay roll; right now it has about half that number, or just above 1,500.

A couple of years ago the firm spent some $5 million on plant modernization and expansion, and to iron out difficulties it had been experiencing for some years.

Surely this should set a fine example for Canadian manufacturers and show them that even in a recession they should not be afraid to invest more capital, not only to increase production but especially to improve the quality of their products.

We have become accustomed to seeing delegations come to Ottawa for assistance from the central government. Personally, I feel that the government should give consideration to those who are trying to help themselves. The present plight of the textile industry is part of the legacy left to us by the Liberal party, a legacy we could have well done without but which the Conservative party accepts, to prove to the growing Canadian nation that the Liberal party is unworthy of the overrated reputation it has claimed credit for over the past 22 years.

The textile industry is the economic foundation of many communities in Canada. It is a noteworthy fact that textile imports account for 55 per cent of our total consumption. If only from 65 to 70 per cent of textiles consumed in Canada were of domestic manufacture, that industry could provide jobs for the 2,500 people, more or less, who are looking for work in the district of Valleyfield, and who would be very delighted to be able to work and to live normally, as it is their right, and consequently, to contribute to the economic growth of this nation.

The amounts made available to builders, by the government, through the Central Mortgage and Housing Corporation, have enabled some 800 new families of the Chateauguay area to move into a house of their own in 1958. Incidentally, this is hardly an indication of distress, as hon. members opposite would have us believe. Those developments are creating many problems in the various growing municipalities. It might therefore be advisable to renew the winter works offer, so that more municipalities can take advantage of this program next winter. This would also help in a tangible way to lessen the seasonal winter slump and consequently, to eliminate many of our governments' worries.

Being of the younger generation, and aware of the many problems facing the young people of Canada, I suggest that the government ask the Minister of Labour (Mr. Starr), to launch a campaign to advertise the benefits of greater specialization. A campaign such as I suggest would reduce the

available labour force, would encourage more young men to learn a trade, would increase their productive capacity, would lower the production costs and, as a consequence, would enable manufacturers to get a larger share of world markets and to face the growing competition of many countries which, until now, had kept out of international trade.

The right hon. Prime Minister (Mr. Diefenbaker) who has won the esteem of the people of Canada, will do much to help us realize our dearest ambition, the happiness of all Canadians.

(Text):

Mr. G. R. Muir (Lisgar): Mr. Speaker, on rising to make my contribution to this debate I first want to express my personal pleasure at your still occupying the very important position to which you were elected in 1957. In that position you have gained the respect and high regard of all hon. members. The gentleman to whom I am referring is not in his accustomed place at the moment but I hope he will receive this message.

At the same time, I would like to tell the Deputy Speaker and the deputy Chairman of the committees of the whole house that these expressions apply to them as well. At this time I should like also to offer my sincere congratulations to the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne.

As has been indicated by previous speakers, it is the general opinion of this house that these two gentlemen made an excellent contribution to this debate.

Although I have had the privilege of speaking in this house on other occasions, this is the first time the opportunity has presented itself for me to take part in the debate on the throne speech. As a member from Manitoba representing the federal riding of Lisgar, I consider it my duty to endeavour to interpret the views of those whom I represent, and to place those views on the records of this house. This is particularly important since it is a well known axiom that as Manitoba goes, so goes the nation. The truth of this statement was borne out, I think, in the last general election.

At the outset, however, I should like to tell hon. members, with some pardonable pride, something about the people and the economy of my riding, the fertility of its soil, the well kept farms and the progressive towns and villages within the area whose names are widely known throughout this country. One of the reasons for this, of course, is that the blood lines of our people stretch into every ethnic group and into almost every locality. The area was settled by the people from the counties of Ontario and Quebec in the 1870's. They were joined by members of different ethnic groups who, at that time, were helping to colonize our nation. I think the population of this riding today represents a real cross-section of the Canadian people. These descendants of the French, English, German, Irish, Icelandic, Scots, Scandinavian, Ukrainian, Dutch and Flemish settlers have learned to live and work together in a spirit of true Canadianism.

In my remarks about the riding, I should first mention that the eastern end of the riding is in the famous Red River valley, that flat, fertile bottom of a prehistoric lake called lake Agassiz. This particular area is one of the few remaining in Canada that has a soil and climate suitable for growing small fruits and vegetables, as well as various other crops, on a commercial basis. I would suggest that when the time has come when you have completely paved that fertile area in Ontario called the Niagara peninsula, you will have to depend on this particular area in Manitoba for your supply of fruits and vegetables. At the present time, the area is short of a water supply which would enable us to make full use of our potential production, and for processing and manufacturing purposes. I would commend to the government that serious consideration be given to joining with the government of Manitoba, under the terms of the Prairie Farm Rehabilitation Act, to provide the necessary funds for the construction of the capital works needed to provide water for the area.

The western end of the constituency encompasses one of the finest areas in western Canada for the production of livestock and grain, and is served by the excellent towns and villages located on the three provincial trunk highways running parallel throughout the length of the area. Within the constituency, stretching from the United States boundary north to the Assiniboine river, there has been developed a unique diversified type of agriculture. The production of alfalfa, registered seed, canning crops, poultry, livestock, and mink-ranching has helped stabilize the economy of the district. As a consequence related industries have also been developed. Canneries, creameries, hatcheries, plant nurseries, poultry and feed processing and seed cleaning plants are strategically placed amongst the progressive towns in the district.

We are fortunate also in having an outstanding experimental farm located near the town of Morden. This farm has helped immeasurably in the development of the area and has demonstrated the possibilities of varied production. With an assured water supply for our town and for agriculture this area could well become one of the most productive in the nation.

During this debate we have listened day after day to the purveyors of gloom on the other side of this house. I would suggest to those gentlemen that they should not confuse self-pity with concern for their fellow citizens. If they really want to be of service to the people of Canada, they should forget the last election and raise their eyes to the future. It has been said on many occasions by the leaders of both political parties that the last half of the twentieth century belongs to Canada. This, I believe, could come true, provided we grasp the opportunities afforded us in this bountiful land. However, the last half of the twentieth century is not going to be handed to us on a silver platter. In order to make sure it is going to be ours, we must do everything possible to earn it.

This fact imposes on us, as citizens and groups of citizens, certain obligations. We must be prepared to subvert selfish personal and regional interests to the national interest. The various groups within our economy, including labour and industry, must heed the advice of our Prime Minister (Mr. Diefenbaker) to hold the line on wages and profits in order that we do not price ourselves out of world markets and out of our home markets as well. There is also an obligation to produce at reasonable prices, to assist our primary producers who are doing their share to hold the price line in this country.

I was interested in hearing the Minister of Agriculture (Mr. Harkness) give figures in his recent address showing that the cost-price squeeze on agriculture had lessened by some nine percentage points in 1958. I hope this trend continues until our farmers are on an equal footing with the other segments of our economy. As a farmer, I am concerned about any reversal of this trend which would result in a further reduction of farm income with its consequent adverse effects on the whole economy.

As a representative of an agricultural constituency I find that our farmers are appreciative of the fact that we now have a government which recognizes that our producers have been faced with problems beyond their own control. This government, recognizing those problems, took certain steps to correct the situation. No responsible person would suggest that the solution of these problems is easy or that they will be solved immediately. However, the government has charted a program aimed at providing for agriculture an economic climate in which our farmers will be able to better their own positions. It is a continuing process this session. Amendments to the Canadian Farm Loan Act should assist our farmers to improve their operations. The crop insurance program, carried out in co-operation with interested provincial governments—and the government of Manitoba is one of those—will be a real help in stabilizing farm income.

I believe the majority of western farmers have accepted the principle of the acreage payment as made by the government last year as the most equitable basis upon which supplementary payments can be made, since it recognizes each farmer and his family as being of equal importance to the nation. It compensates the small farmer for his higher costs of production and recognizes the need of the farmer who, through no fault of his own, either harvested a small crop or no crop at all. As a further example of the determination of this government to protect our farmers, the Prime Minister has stated that the Crowsnest pass rates on grain are regarded as a farmer's Magna Carta and as such must not be changed.

It is actions such as this that reassure our farmers with respect to the agricultural policies of this government and give us hope that those policies will attain for agriculture that measure of security and stability for which they are intended.

The prairie region usually has its quota of seasonal unemployed, particularly at this time of year, but figures released on January 16 of this year indicate that in that region applications for employment are down from the figure of a year ago. In Winnipeg, the largest centre of employment in Manitoba, the situation is particularly encouraging, with employment applications down by over 2,600 from the figure for the same date last year.

The fact that the home owner applicant is now able to apply directly to Central Mortgage and Housing Corporation for his loan should further encourage the home building program. This applies particularly to the smaller centres. With further funds to be made available by parliament this session—it was announced this morning that it would be an extra $250 million—this should prove to be a decisive factor in the employment situation for 1959.

I have some interesting figures on the total money spent in Manitoba on housing under the national housing scheme last year. The total amount of money spent on direct

loans from Central Mortgage and Housing Corporation and guaranteed loans under the National Housing Act amounted to $38,023,449. The number of loans was 2,887 and the number of units constructed was 3,800, which would make a sizable city. There is every reason to believe that this high level of construction will continue this year in view of the encouragement being received from this government.

As a Manitoban I was pleased with the announcement of the Minister of Transport (Mr. Hees) that Winnipeg would be one of the stop-overs in the connecting link between the Atlantic and Pacific flights of the Canadian Pacific Air Lines. That city is destined to become a major airport in the future of air travel, lying as it does in the path of the transpolar flights. Anything that is done to speed that process is a source of satisfaction, of course, to all Manitoba members who have become more than ever convinced, as we face the future, that Manitoba is indeed the keystone province of our nation. If the axiom "as Manitoba goes, so goes the nation" applies economically as well as politically, the housing development and building program contemplated for that province this year, with its beneficial effect on its economy, should be reflected across this country; and we as Canadians can have every confidence in the continued development within our nation throughout 1959.

(Translation):

Mr. J. O. Gour (Russell): Mr. Speaker, it is with pleasure indeed that I second the non-confidence motion proposed by the Leader of the Opposition (Mr. Pearson), in which he clearly states that he has no confidence in the present government; and he is right. Poor Conservatives! Many of them are nice chaps, but they cannot make a go of running the affairs of this country! The situation today is no different from what it was between 1911 and 1921, and between 1930 and 1935. It has happened again in 1957 and will last until the people vote against the government at the next election.

Many of the Conservatives are clever, but they have no management ability, although, as regards their personal affairs, they are pretty good. I know that some of them are millionaires—and it is always among the Conservatives that we find the millionaires—but when it comes to managing the country's business, it seems they just can't do it. They manage to enact legislation that favours the rich and, needless to say, such legislation is hardly ever of benefit to the poor. I was very much amused this morning, listening to the Minister of Transport (Mr. Hees) making his little political speech. However, it does not befit the head of so important a department to waste the few moments it took him to blame the official opposition, because the opposition has been telling the government some home truths, it has proved that the present administration is no good, and has said that the way the country is being run now will lead to the same situation as we have known under the Conservative regime during the terrible and dark years of 1930-35, as I explained when I addressed the house last Monday.

The Minister of Transport is a nice chap, very personable, tall and handsome, and flashes a pleasant smile; but he spent part of his time running down the official opposition, saying time and again that we, the Liberals, lacked confidence in our country. Now this is quite false. Under the Liberal administration we have proven beyond any doubt that we had faith in Canada and we still have that faith to-day. Instead of this the minister should have told the house, and Canadians, what he has in mind to improve the management of this country. He merely ranted at the official opposition, going over what the Liberals had done. And yet, we are telling our friends on the other side what they should be doing for the proper management of this country's affairs and keep it away from bankruptcy.

They have no right to tell us, Liberals, that we have no faith in our country. Instead of this they should change their behaviour here in the house. I don't mean they are doing it on purpose, but it seems to have grown into a habit with them, and they don't realize they are doing it.

We have faith in Canada. We have faith in the ability of all Canadians and in the future of Canada. This is something we have repeated time and time again and no one should be accusing us of the contrary. Canadians are not the only ones to have faith in their country; all nations in the world have faith in it too, and besides they had faith in the Liberal party and that is why thousands of individuals from every part of the world would have liked to emigrate to Canada. What is true, however, is that the people have no faith in the present government. Why? Because they remember what happened in the thirties. Besides at the time the Liberals were in office, thousands of people would have emigrated to Canada and settled here, if we had been able to let them in. But today these people no longer want to come because they have no confidence in the present government. We have proof of

this in the last two by-elections which took place in the riding of Trinity (Ontario) and in Springfield (Manitoba) where the Conservatives were reported to have done all they could to win those seats. They spared no effort to get those two seats; and yet, they were defeated in Trinity, and, had it not been for bad weather, even though they fought like mad, they would also have taken a licking in Springfield.

An hon. Member: That is not the way it turned out in Montmagny-L'Islet.

Mr. Gour: You will see that next time it will be the same in Montmagny-L'Islet.

No, if we lack faith it is not a lack of faith in Canada, even though the minister kept repeating this throughout his speech, but a lack of faith or confidence in the Conservative government and in the way it is being managed.

Oh, you will say: "The people voted for us." Yes, they did for a time, because they accepted your promises, and I don't blame them. They thought you were sincere. But they have had their lesson and they realized what could happen. There are people in my constituency who shed tears every day because they believed in your promises. But make no mistake, the great majority of people in Canada are keenly disappointed, as evidenced by what I have just said. No, Mr. Speaker, no one will give credit to the statements of the Minister of Transport who, as I just pointed out, looks bright, seems fully qualified for the position he holds, but is, after all, only a plain small politician.

What the people of Canada want to know from the ministers and from the Conservative government, is what they intend to do to bring an end to unemployment, inflation and the present economic recession. That is what the people of Canada want to know from this government. Government members have been asking us to tell them how to run the country and when we do tell them how to go about it, they shoot back that we do nothing but criticize. After all, what else can we do but criticize them, and give them advice; we are not the ones who are running the country; if we were we would be running it the right way. Right now the Conservatives are entrusted with the affairs of Canada and it is not up to us to suggest this or that legislation, and every time there is a vote, they are extremely submissive. In fact, they listen to the Prime Minister (Mr. Diefenbaker) even more than a two-year old baby would listen to his mother. And because they are such obedient followers of the ministers, whenever there is a vote, we know ahead of time that we are defeated.

I shall be glad when the parliamentary secretaries are finally appointed, because then many Conservative members will be in a better position to quit their party when they realize that they were not among the elect. Then they will say: "I think I had better move in with the Grits and vote against the Tories", and by that time they will have good reasons to have confidence in the prosperity of their country.

As I said last Monday, under the Conservatives, from 1930 to 1935, the government was paying workers at Rockcliffe airport 2 cents an hour. As soon as the Liberals came back into power in 1935, wages immediately went up to 45 cents an hour, and these men were putting in an eight hour day. When we got out of office in 1957, tradesmen's wages in Canada averaged $1.25 to $3.00 an hour. That is what workers were being paid, according to the trade they practiced. We had brought back prosperity to the country. Yet, we had taken over a bankrupt government, and the war, which started in 1939, entailed tremendous expenditures. Our war effort which lasted almost 6 years, compared favourably with that of any other country which we went over to defend. In fact, if the population of Canada is compared with that of those other countries, it will be seen that we took better care of our servicemen than did any of those countries, and that better than any of them we helped our veterans and not only those of World War II but those of World War I, for the latter had a raw deal at the hands of the Conservative government, which had given them nothing on their return. In fact, with what they were getting, they had barely enough to buy a suit of clothes which at the time cost $75. Having only $10 left the returned men could not buy themselves shoes, socks or gloves. And that was all they got.

Furthermore, we helped them settle on farms and find jobs in industry. We also paid part of the tuition fees of those who sought higher education or wanted to take up a profession. We also helped those who wished to build themselves a house or start a small business, even a printing shop.

All this was making the country prosperous. Nearly all Canadian veterans were able to get jobs to provide their families with a decent living. In fact, between 1945 and 1957, there was prosperity in Canada such as no other country has ever enjoyed, a degree of prosperity unprecedented in the history of this country. And yet our hon. friends opposite dare ask: "What did you do in the 22 years you were in power?" My answer to this is: the Liberal party did

so much for Canada that if a person went out to certain parts of the country which he had not visited for 5, 10 or 15 years, he would hardly know how to find his way in any village or small town and, of course, still less so in the larger cities. He would not be able to find his way, because of the changes wrought from one end of the country to the other.

The Liberal party can claim credit for the construction of over a million homes, and for the establishment of thousands of plants throughout the country. It looked after the development of our national resources, and provided Canadian citizens with the opportunity of proving their ability. Citizens rose to the challenge and made of Canada one of the most prosperous countries in the world, considering its limited population.

We started building the trans-Canada highway so that Canadians could travel from one end to the other of this beautiful country. We Liberals also drew up the plans of the St. Lawrence seaway, and almost completed this project to improve shipping conditions. We also built the pipeline which now enables us to carry to all other provinces, oil buried in the soil of Alberta, thereby providing jobs for thousands of Canadians.

We made huge sums available for the building of hospitals and universities. We introduced social legislation such as family allowances, veterans' assistance, old age assistance and unemployment insurance. We can also claim credit for drawing up all plans regarding health insurance.

Furthermore, we appointed a Canadian as Governor General. We abolished appeals to the privy council, making our supreme court the highest court in the country.

As I said a moment ago, Mr. Speaker, we built a very substantial part of the trans-Canada highway, but we did not stop there. We introduced television and contributed to the progress of the National Research Council. We set up the Central Mortgage and Housing Corporation which, according to claims of our friends opposite, was set up only recently. Furthermore, we established fourteen crown companies. In fact, Mr. Speaker, the Liberal party's achievements are so numerous that I shall not take up more of the time of the house in enumerating them.

Mr. Speaker, I said a moment ago that the Liberal party had appointed a Canadian to the high position of Governor General. I take this opportunity of suggesting to the Prime Minister (Mr. Diefenbaker)—I see that he has just gone out, but I am making the suggestion just the same—that it would be fitting, when the time comes to appoint a successor to the Governor General, when his term of office has expired, to follow a tradition that has been established in the House of Commons and in the Senate with regard to the choice of the Speaker, that is, that a French-speaking representative replaces an English-speaking representative and vice versa.

I hope that the new Governor General will again be a Canadian, for there are many Canadians who could very creditably fill this position. I do not see why one should oppose the selection of qualified men just because in the past they may have participated in the nation's political life. In support of my suggestion, I could mention the case of our judges who are always appointed by the party in power. Whether they have been in politics in the past or not, whether they are appointed by the provinces or by the federal government, these people cease to be in politics as soon as they are appointed, and I do not think I am mistaken in saying that we have the reputation of having judges who are as competent and, if I may say so, even much more competent, than those of any other country. We know that judges are very often selected among men of a recognized standing and who have played an active role in the political life of our country. Therefore, I do not see why our Governor General could not be a Canadian citizen; I would even prefer that he be selected among the Conservatives, if necessary, rather than have a representative from abroad.

Mr. Denis: I don't know about that!

Mr. Gour: We established markets in nearly all countries of the world, except those behind the iron curtain, and even there we brought certain business transactions to a successful conclusion. We provided Canadians with the opportunity of participating in the development of Canada, and to the citizens of other countries of coming here to help us promote the development of our natural resources. We also recognized that, because of their talents, their money and their intelligence, those new Canadians would become good citizens, for the greater benefit of our country.

And you Conservative members, what have you done? In the space of 19 months you would have wrecked the financial stability of the country had it not been for the social legislation introduced by the Liberal party—legislation including family allowances, veterans' assistance and old age security—the present economic depression would be even more terrible than that of the thirties.

And when we confront you with those facts, you want us to tell you what should be done. Small wonder you are unable to manage the country. We will tell you what to do, and if you can't bring yourselves to listen to us, in two or three years you will be back where you were in 1935.

An hon. Member: You are going to get out.

Mr. Gour: Several Liberal members have made suggestions; now it is my turn.

Cut out the petty politics as you have been doing since 1957—

An hon. Member: Yours is high politics!

Mr. Gour: —and try to give us practical government.

The winter works program you submitted to the provinces and to the municipalities should have included certain subsidies on building materials. Moreover, it should have come forward in August, not at the end of October. You should have called a conference of the provinces and the municipalities no later than June, July or August, and should have decided then and there what you had to offer. You should have guaranteed financial assistance to municipalities at an interest rate no higher than 5 per cent.

It is not the Mont Tremblant conference, after which the Minister of Finance (Mr. Fleming) did indeed tremble for a month—

An hon. Member: Very funny!

Mr. Gour: According to radio, television and newspaper reports, the minister shook for five weeks. Calling such conferences, or travelling all over the world, is no way to solve the unemployment situation. I have nothing against the trips you made, in so far as you were looking after the interests of Canada first. We have offered to help in the development of other countries; that is fine, I go along with that. However, the first thing is to develop Canada, in order to give some encouragement to the new Canadians, so that they will become good citizens in the future.

Since you are asking for suggestions, I shall give you a few. Why not immediately call a conference with the provinces and the municipalities?

Mr. Robert Lafreniere (Quebec-Montmorency): Mr. Speaker, may I put a question to the hon. member?

Mr. Gour: Mr. Speaker, if the hon. member will kindly let me finish my speech, he will have ample time for his question.

Mr. Lafreniere: Mr. Speaker, since the hon. member has reached the stage of suggestions, why does he not suggest that the Conservative government start paying old age pensions by age 35?

Mr. Habel: Would you be in favour of that?

Mr. Gour: Mr. Speaker, I am sure that, out of all Conservative members, the one who just made that remark is the only one who would ask such silly questions.

Mr. Speaker, if the government wants suggestions, I shall oblige, and I am sure that every one of my suggestions will be a hundred times more intelligent than the one just put forward by the hon. member for Quebec-Montmorency.

I suggest that the government call a meeting of the premiers and ministers of finance and of labour of the provinces, and also of the municipalities, in order to make plans for next summer and next winter to provide work for the unemployed.

In view of the fact that business is bad and will be getting worse, you should call a conference so that representatives of the federal government, the provincial governments and municipal councils could discuss employment plans for next winter and next summer.

Now, what did you do to fight inflation? Nothing whatsoever. True, you have offered to convert 3 per cent government bonds for a new series bearing up to 4½ per cent. But that was only a chance for the wealthy to make millions in profits, which will add $50 million in interest to the national debt over a number of years, and will raise the interest rate for every loan obtained by municipalities, cities, provinces and even individuals. How can they borrow the money to undertake various projects, with an interest rate of 6 to 10 per cent? Sometimes it makes me laugh, sometimes it irritates me, to hear certain members to the right, for instance the hon. member for York-Scarborough (Mr. McGee), come out with the statement that it is only since the Conservatives have been in office that construction projects are being undertaken in his constituency. You would think, from what he says, that Canada was not discovered until June 1957. You would think he never heard of what was done in the last ten, fifteen or even the last five years. I think I am correct in saying that the population of his constituency has increased by close to 100,000 in the past ten years. There have been some houses built to accommodate all these 100,000 people. There is no denying it, it must have taken at least 30,000 houses to accommodate that many people.

Apparently, he has heard of that. He only discovered that there were people in his constituency.

I have had the honour to represent the constituency of Russell since 1945. At that time, it had a population of about 32,000, but now it exceeds 100,000.

An hon. Member: Surely, you are not going to claim credit for all that!

Mr. Habel: It was the Liberal party's doing.

Mr. Gour: It was certainly not the Conservative party's. Therefore the population of my constituency increased by 68,000, which means that since my friend's awakening, some 25,000 homes have been built in Russell constituency. Before my hon. friend's awakening, over 1 million new homes were built in Canada. He didn't know that, so I am telling him. And, at the time, it was much more difficult to build houses. When my good friend was sitting on this side of the house, he used to say: "Shortage of manpower"; you can't get either materials or labour. True, building materials were hard to get. And there was no unemployment. Today, 750,000 unemployed are looking for work and you can get all the materials you need, one hour after placing the order.

You should be in a position to build this year at least 200,000 new houses. The population of Canada is increasing at the rate of 400,000 each year. All you have to do is to get ready accordingly, and figure on the basis of three people per house. Therefore we will need over 135,000 to 140,000 houses a year. Besides there are many old houses that need to be repaired. With all this unemployment, and because of your lack of ability, the least you can do is to build houses.

You should build 200,000 houses this year. It is better to build houses, to do something worthwhile that will be an asset to the country. And it would be much more useful than to pay some $500,000,000 in unemployment insurance benefits, because it is better to give workers wages than to pay them $25 or $30 a week for doing nothing. If you pay them $50—$100 a week in wages for work done, at least we will have something left of this.

I want to make a suggestion that would promote construction. Indeed, many of you will say that it is incorrect, but I suggest that the interest rate on housing loans should not exceed 5 per cent.

Furthermore, the sale of building lots should be supervised. There is too much unfair advantage taken of the people in the sale of land. The government should intervene. There is no reason why building lots should sell for $4,000, $5,000 and even $6,000. In fact, a man has to pay $25 a month for 25 years to pay principal and interest on the lot. The government, with the co-operation of the provinces, should contribute to the cost of sewer and water systems in new districts. This would reduce the cost of housing and would further encourage Canadians to become house owners.

Mr. Speaker, our good friends opposite should manage the business of the country in the proper way. At the time of the Liberals, we used to sell aircraft to our good neighbours, and to other countries. According to newspaper reports, the government is disorganizing our aircraft factories. Yet this industry is very important for the defence of our country and for our civil aviation.

Our engineers and specialists are going to the United States. Consequently, our workers stay here without work.

During the election campaigns of 1957 and 1958, it was said that we were buying too much from our good friends to the south, that we should divert 15 per cent of our purchases to commonwealth countries. Naturally, this was intended to win the election. But today, when we are buying Bomarcs, aircraft, etc., from the United States, we are making Canada dependent on the United States for our defence.

That is the way the Conservatives understand politics. The hon. member who spoke before me referred to the good job that the Minister of Agriculture (Mr. Harkness) has done for the country. I didn't say that you are all bad boys, because many of you are good boys; the only trouble with you is that you are Conservatives, and that, as such, you do not know how to run the country.

I think I know my way in the field of agriculture. The market price of butter was 64 cents; you lowered it to 63 cents. Powdered milk was 17 cents, I believe, and you cut down the price by 3 cents, so that it would not look too bad. But things are bad, and could be even worse. Do you know why they are not worse? It is no fault of yours, nor is it the Liberals' fault! It is because the Americans are buying our cattle. However, I want to tell you now that if the Americans are buying our cattle, it is because of an agreement entered into by the Liberals with the U.S.A. If Americans should stop buying our cattle, I do not think that the Conservative government could come to a new agreement with them. Therefore, don't try to make us believe that you have done something about that.

I recognize, however, that you have provided a substantial aid to western farmers; it is an average of $200 for each farmer, whether or not he was a millionaire. But that is not the way to run this country!

Mr. Speaker, my remarks are sincere and I hope that they will be received as constructive criticism, for the welfare of Canada. I cannot get used to the idea that after four years of bad Conservative administration, and in spite of my age, I will not see another era of prosperity.

Mr. Fortin: You will not see it.

Mr. Gour: I hope that I will never see the time when we will have to be content with only one meal a day.

I repeat that there are some very good boys among the Conservatives. The minister says that the advice that we give them is bad advice and that, in fact, it amounts only to criticism of the Conservatives. You certainly know that things are not going well in your family; you could not make me believe the contrary. If ever you have to go to hospital, you will be glad to accept our advice and to follow it. We can give you some and we will continue to do so as long as we have a chance to do it.

(Text):

Mr. J. A. McGrath (St. John's East): Mr. Speaker, my first wish as I rise to take part in this debate is to join with the hon. members of this house who have preceded me in offering congratulations to the mover, the hon. member for Provencher (Mr. Jorgenson), and the seconder, the hon. member for Montmagny-L'Islet (Mr. Fortin), of the address in reply to the speech from the throne. I was particularly interested in the remarks of the member for Montmagny-L'Islet because when he spoke on national unity it made me as an English speaking member appreciate the tremendous opportunity we have to widen our horizons as a result of the new simultaneous translation system. I would also suggest that we owe a debt of gratitude to the government for having made possible the installation of this system because without it some hon. members would have been unable to fully appreciate the profound and soul-searching remarks of the hon. gentleman who has just taken his seat.

The hon. member for Montmagny-L'Islet made a speech in this house, which I think was a tremendous contribution to this debate, when he spoke on a subject which we in eastern Canada—and I mean eastern Canada—are so deeply interested in, namely national unity. I would compliment the hon. member, but at the same time ask him and other hon. members to bear in mind, in developing this theme of national unity, that we in Canada should develop a national unity without uniformity. Canada is developing into a great nation comprised of many races, people of many ethnic origins, and to my mind each has something to contribute more fully to a greater Canada by retaining those traditions, those colourful traditions of his national origin, traditions, which I suggest are contributing to make a new and more distinctive kind of Canadian.

This year will mark the tenth anniversary of the entry of my province into this family of Canadian provinces. I like to think—and perhaps this thought is shared by other hon. members—that perhaps one of the greatest contributions my province made to the Canadian family was to contribute to the Canadian scene a culture and a tradition which are rooted in folklore, a folklore in the traditions of Devon, of the west country, of Scotland and of Ireland, folklore and traditions which have been carefully retained and protected down through the years.

As a member from the most easterly constituency in Canada, Mr. Speaker, I was interested to notice in the speech from the throne a reference to freight rates. The quotation reads:

> My ministers will recommend to you action to alleviate the discriminatory effects of the recent horizontal increase in freight rates.

I cannot tell you how keenly we look forward to this measure being introduced because we are at the extreme eastern end of the line. We are at the mercy of the railways and the future of what secondary industry we have in my city and my constituency solely depends on such a measure.

While on the subject of transportation, Mr. Speaker, I should like to read into the record a statement of the president of the Canadian National Railways, which he made in Halifax on November 20 or 21, 1958. It is taken from the St. John's *News* and is a Canadian Press dispatch. Mr. Gordon said:

> Sensational reports about the Canadian National Railways ferry, *William Carson*, having trouble docking at Port aux Basques, Newfoundland, are doing a disservice to the maritimes and alarming the tourist trade.

The statement goes on:

I am surprised that the newspapers of this area make so much of the fact that wind blows in this part of the world and interferes with shipping.

In addition to that statement for the record, Mr. Speaker, I should like to give you briefly the record of the service of the *William Carson* and which I might add bears the name of a distinguished Newfoundlander, Dr. William Carson, who carried on the fight for responsible government in Newfoundland more than a hundred years ago. The figures that I have cover the period from October 6, 1958 to December 31, 1958. During 13 trips of the *William Carson,* which is our main link with the Canadian mainland, from North Sydney to Port aux Basques this ship which has been surrounded with so much misfortune was delayed for a total period of 237 hours and 20 minutes; 237 hours and 20 minutes lost in 13 trips. I have more comprehensive figures, but I will not detain the house with them at this time. However, I do propose to go into this more fully during the discussion of the estimates of the Minister of Transport (Mr. Hees). The point I would like to make is this: I respectfully suggest that the Department of Transport take steps to place the *William Carson* in a service where she can do the most good. The Newfoundland board of trade has offered the suggestion that the *William Carson* should operate from North Sydney to Argentia, of which I am sure the minister is most familiar. I would like to state for the record that I feel such a service is the only justification we have for, and it is the only way that we can fully take advantage of such a modern and beautiful ship.

Not only that but I would like to bring home the fact that in my province, with which I realize perhaps most Canadians are not too familiar, we are two separate regions. We have no transinsular highway; hence we have only the Canadian National Railways which operate a single narrow gauge antiquated railway which was taken over from the Newfoundland government in 1949. Consequently the people of the west coast of Newfoundland and of the east coast have little or no communication with each other. It is with this point in mind that I would support the claims of the Newfoundland board of trade and respectfully suggest that the passenger ferry, *William Carson,* which carries the name of such a noted Newfoundlander, in this tenth year of confederation be used to link the vast population of this country who are living on the east coast of Newfoundland with the mainland.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. McGrath: When the house rose at six o'clock, Mr. Speaker, I was making reference to the record of the Canadian National Railways' ferry *William Carson,* which operates from North Sydney to Port aux Basques, the western terminus of the Newfoundland service of Canadian National Railways. Time will not permit me to delve further into this contentious subject. For the time being, I shall let the record speak for itself.

During this debate we have heard continuous remarks from hon. gentlemen opposite to the effect that this government has done nothing to relieve the unemployment situation in Canada. I am sure hon. gentlemen opposite must have read and listened to the speech from the throne, as I have. I noticed several references in there. For example, there is a suggestion of the introduction of a measure to increase the funds under the National Housing Act from the consolidated revenue fund, boosting that fund to a billion dollars. Surely, this will have the effect of stimulating house construction in Canada, and it will have the related effect of providing jobs for Canadians from coast to coast. I do not believe it is necessary to go into the chain reaction that results from the building of a home.

There is a suggestion also in the speech from the throne concerning an increase in the total funds that may be expended under the Trans-Canada Highway Act. There is a reference to certain amendments to the Unemployment Insurance Act. In my own province of Newfoundland, the government has embarked on a program to relieve distress in the fisheries of Newfoundland by means of a program for the building of community stages. This initial program will cost somewhere in the neighbourhood of $500,000 and there is some suggestion that the program will be carried out during the coming year. For the benefit of hon. gentlemen who perhaps do not know what a

community stage is, I would say that a community stage may be described as a central fish landing and processing building where the fishermen can prepare their fish for salting; salt, store and process the article under efficient, sanitary conditions. The stages will be managed and operated by a local authority or a fisherman's co-operative. The fishermen may continue to operate as individuals or pool their operations, as I mentioned, in a community enterprise.

This program is a joint undertaking by the Minister of Public Works (Mr. Green) and the Minister of Fisheries (Mr. MacLean). I would suggest it is a step in the right direction. It is, perhaps, somewhat unfortunate that that program is not on schedule because of the severe winter conditions being experienced in my province of Newfoundland. The program will have the effect of providing direct employment for the hard-pressed fishermen of my province, another step in the right direction towards relieving the unemployment problem.

I would suggest that hon. gentlemen opposite should be constructive in their criticism instead of trying to propagate their fallacious doctrine of gloom and doom. In the limited time at any disposal, I should like to close by commenting on a suggestion which is, to me as a young Canadian an exciting one, and which will have an appeal, I feel, to all Canadians. This is a project national in scope and national in its significance.

I am sure all hon. members of this house have heard references to the establishment of a free port or a transshipment port on Canada's eastern seaboard, or more specifically on the island of Newfoundland. Such a port, located on our east coast would, in effect, receive the grain from the port of Churchill on Hudson bay and from the lakehead down to the St. Lawrence seaway, and there await transshipment in the grain elevators of this port to the markets of the world. This would, of necessity, have to be a deep water harbour, an ice-free harbour; it would, of necessity, have to be strategically located near what is known as the great circle shipping routes. In other words, it would have to be accessible to the trade routes of the world. We have two such harbours in the province of Newfoundland and, I might add, they are both located in the constituency of my friend the hon. member for Burin-Burgeo (Mr. Carter). One is a great natural fiord on the southeast coast of Newfoundland called Head Bay d'Espoir. The other one, which is most often mentioned, is a beautiful natural inlet, the water-way of Mortier bay on the Burin peninsula.

In order to give you an idea of the strategic location of this great natural harbour I am sure you will be interested to learn that it is 700 miles closer to Gibraltar than is the port of New York. It is closer to the main ports of South America, Rio de Janeiro and Buenos Aires, than any single port in North America. These are interesting statistics. Furthermore, all the important trade routes originating from the English channel and the main industrial ports of Europe and which terminate in the western hemisphere pass within less than 100 miles of this great natural harbour on the east coast of Newfoundland. Such a transshipment port would be of immense value to the grain growers of Canada for it would result in reduced transportation costs. The advantages of such a development to my province cannot really be over-emphasized at this time. It would, in effect, mean the creation of a virtually new industry, a thriving industry, which would have a great effect on the economy of the Atlantic provinces.

There is now being shipped from the port of Churchill on Hudson bay something like 16 million bushels of wheat each year in a relatively short shipping season. The transportation of this grain requires somewhere in the vicinity of 50 ships. However, this is a somewhat costly means of transportation because these bottoms must arrive at the port of Churchill empty, with the resultant high cost of transportation. However, in spite of this fact, the use of this route results in substantial savings per bushel on the grain. If such a transshipment port were to be established, and if grain elevators were to be built on Canada's eastern seaboard, it is suggested that it would be possible to make a saving of four cents per bushel. I understand this would be a substantial saving indeed. This project can be projected as the ultimate expansion or the ultimate completion of the St. Lawrence seaway because in reality they virtually complement each other. Reference has been made to such a port by the hon. member for Burin-Burgeo on another occasion and I would presume that it would receive the full support of the hon. gentleman.

The shores of Mortier bay, as most hon. gentlemen from my province will readily tell you, lend themselves by virtue of their terrain to the building of wharves, shipping docks, grain elevators, immense warehouses, factories and even a great new city. This might sound like an ambitious scheme, but all great schemes are founded on ambition. As I stated before, the economic advantages of such a national development to the economy of the Atlantic provinces and of Canada as a whole cannot at this time be fully appreciated. I would urge the members of the government and all hon. members of this house to acquaint themselves fully with the advantages, the possibilities and the potential of such a great national development.

May I close on the theme with which I started. The hon. member for Montmagny-L'Islet (Mr. Fortin) eloquently expressed his theme of national unity. I would suggest that this would be a step in the direction of that greater national unity because it would have the effect of making the eastern seaboard, the Atlantic region of Canada, a more integral part of the economy of this nation. I feel it will warrant the serious consideration of this government, a government that has done more to develop this theme of national unity than has any other government since the days of Sir John A. Macdonald.

Mr. J. R. Garland (Nipissing): Mr. Speaker, first I should like to congratulate the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne. As usual, this task was carried out in a most commendable manner, bringing credit to both the mover and the seconder and to the ridings which they represent.

I should like to explain, Mr. Speaker, that I had not intended taking part in this throne speech debate because it semed to me that our leader made a brilliant, comprehensive review of the present situation, pointing out the many shortcomings of the government especially in respect of the lack of a clear-cut government policy. However, the contributions of the cabinet ministers in this debate have been so partisan and so void of policy that perhaps a word is necesary to remind them again that they are no longer in the opposition but that, as members of the government, they are expected to be providing leadership. Instead, they seem to be following a policy of opposition to the opposition.

[Mr. McGrath.]

The best example to illustrate my point was the political speech made in this debate by the Minister of Trade and Commerce (Mr. Churchill) who devoted one part of his remarks to apologizing for his somewhat less than brilliant showing on "Press Conference" and the balance of his speech to criticism and belittling of Liberals, past and present. It was hardly the kind of speech expected in these critical times from one aspiring to be Minister of Trade and Commerce and hardly the kind of speech that would inspire much confidence throughout this country. I would ask businessmen looking for economic guidance with respect to the future to read that speech and judge for themselves.

This morning we had another rather strange utterance, this time from the Minister of Transport (Mr. Hees) who should be in possession of the facts and who was again attacking the opposition concerning the use of statistics. I should like to refer to some figures the minister used. He made the extraordinary statement this morning that the Canadian merchant marine at the end of world war II consisted of 500 ocean-going ships. I am not going to pursue this point and I want to be fair to the minister. I know that he realizes that the statement he made was a grossly exaggerated one. The figure was not 500 but, to the best of my knowledge, was 173, practically all of which were built during the war for wartime use and were disposed of after the war.

Mr. Speaker, we have been listening for nearly ten days for something constructive from the government but what have we heard? We have heard from the government only criticism and further attempts to belittle our leader and to drag him down from the high place he so rightly occupies in the minds of people at home and abroad. Then there is this further and unfounded accusation by the government that we lack confidence in the economy. The only thing in this regard that the Liberal opposition lacks confidence in is the ability of the government to do its job. After all, it has been Liberal administrations that helped create the kind of economic climates in which Canada made its greatest progress over the years.

Then there is this further untrue accusation by the Conservatives, and they do it at every opportunity, that the Liberals did nothing for the commonwealth. This afternoon the hon. member for Rosedale (Mr.

Walker) read and referred to some newspaper clippings having to do with the Prime Minister's (Mr. Diefenbaker's) recent commonwealth tour. But he apparently did not go far enough with his reading of those press clippings or he would have found some others. This came out at the time our present Prime Minister was visiting India; the story came out at that time, I believe. At the commonwealth conference of prime ministers in 1949 a Canadian formula was put forward by the Canadian government which made it possible for India to remain as a republic within the commonwealth.

Rarely, except in wartime, I suggest, has Canada's parliament met in a more difficult period. As has been pointed out, the two most difficult and most urgent problems are unemployment and inflation or, if you prefer, jobs and rising prices. However, there are many other serious problems confronting the Conservative administration as this new session gets under way. Canadians are facing the prospect of a billion dollar deficit as compared with regular reductions in our national debt from surpluses under Liberal administration. After many years of steady growth under Liberal administration, Canadians are witnessing our second year of slowdown in our national production. Indecision and uncertainty are dimming the 1959 prospects for the Canadian oil and natural gas industry. Canadians are concerned about the muddle in our defence policies and the lack of decision about building the Arrow fighter plane. Canadians are also concerned about our role in continental defence. I do not think anyone but the most partisan Tory would argue that Canada's role in international affairs has taken on added vigour under Conservative administration. I think it is fair to say that Canada's influence at the United Nations and at NATO has not been increased under the present government. Shrinking immigration with 125,000 immigrants last year as compared with 282,000 in 1957, with our economy under Conservative administration unable apparently to absorb more, according to government spokesmen, is a matter of real concern.

Another serious problem is the apparent lack of confidence resulting in the weakening of prices of Canadian bonds. This poses another real problem in the government's future financing.

Some of us have wondered why, in view of the importance of Canada-United States relations, the important position of ambassador to the United States was left unfilled for such a long period. However, we are all pleased to see that the matter has been corrected and we would hope not at the expense of the civil service commission.

In view of the ministers' partisan speeches I am tempted to bring up several shortcomings of the present government but I realize I must be careful lest we be named as one of Khrushchev's helpers. This seems to be the attitude of the present government toward any criticism. I suppose the pattern for this was set on the opening day of the debate by the Prime Minister in replying to my leader and is understandably repeated by aspiring government supporters. It seems rather strange that this new government, in power for such a relatively short time and so flush with criticism when in opposition, should be so sensitive about any criticism of their lack of policy.

Having due regard for the many factors contributing to our economic slow-down, I believe that a major factor was the shock of realizing on June 11, 1957 that Canada had lost its experienced government. This lack of confidence that became apparent so soon was not because it was a Conservative government but rather because it was an inexperienced government. Never since June, 1957 has it been so apparent that this new, inexperienced government is incapable of dealing with the problems of the day. I believe this lack of confidence has contributed substantially to the decline in capital investment by business, which has been one of the major contributing factors in our economic slowdown. This lack of confidence in the government is, I believe, more than justified. When we look around us today and see the mounting list of problems piling up over the last 18 months, it is little wonder that businessmen, both at home and abroad, are temporarily at least delaying many of their expansion plans and taking a second look.

What a difference a year makes! What a difference between Canada under Liberal administration in 1956 and under Conservative administration in 1958. During the 10 years previous to the Conservatives coming into office the Liberal administration was able to reduce taxes by substantial amounts every year except in the year of the Korean incident. In addition to these substantial tax reductions, the Liberal administration was able to effect substantial reductions in our national debt. These reductions in our national debt during the last 10 years have

been wiped out in the last 18 months by Conservative patchwork policies.

Yes, indeed, what a difference a year makes! Canadians were shocked to find that between Harris in 1957 and Fleming in 1958 there was a difference of $1,200 million. That is what it cost the Canadian people to change their administration from Liberal to Conservative. This new Conservative government may well go down in history as the most expensive luxury Canadians ever had. It is little wonder that investors are concerned about the new government.

I should like to say a word about the problem of steadily rising unemployment. The only words of encouragement that the government seems to have offered over the past few months are utterances from time to time that the unemployment situation is worsening at a slower rate than before. This is not much comfort to the person who is without a job. The most recent figures show that one worker in every fifteen is without work, with every indication that the situation will be worse. I say it is a disgrace that in this young, vigorous and rich country we must accept the proposition from our government that two millions of our men, women and children must suffer as a result of unemployment this winter. The average Canadian is understandably shocked by the situation. Despite the fact that hundreds of millions have been poured into our economy, with a maximum of publicity by the government, we find more people seeking jobs since the Conservatives took over than at any time since the depression of the thirties when they were last in office.

The government cannot shirk its responsibility. Surely the government's failure to deal adequately with unemployment is well recognized. Even today they apparently are not ready with any legislation to ease unemployment this winter or they would have taken advantage of our proposal to terminate the throne speech debate. Surely it is the responsibility of the federal government to maintain a high level of employment. Surely they must now realize that relief measures, though helpful, are not a cure for unemployment.

In addition, we have the Prime Minister's own words that no person would be permitted to suffer from unemployment. Despite the fact that the number of unemployed is steadily rising, the government is almost daily taking credit for relieving the situation. They take special credit for their winter works program which provides for paying 50 per cent of the labour costs on projects that would not normally have been undertaken this winter. On the surface this looks like a sound proposal. However, its soundness will be established only if it proves to be effective. To date, in the municipalities I have checked personally, I find it has been of little or no value.

After all, the labour costs on many municipal projects represent only a small portion of the over-all costs. This means that the municipalities in most cases, in order to take advantage of this offer, would have to assume substantial financial obligations to cover these capital outlays. These additional financial obligations have been made more costly by the government's actions in raising interest rates. The government's ill-fated conversion scheme, referred to by some as "Fleming's folly", which had the effect of increasing interest rates by 50 per cent on a substantial portion of government borrowing, has naturally had the effect of making provincial and municipal borrowing more expensive. In this field of government endeavour alone I think the government should be severely criticized. By increasing the cost of borrowing at the provincial and municipal levels the federal government has retarded, rather than encouraged, badly needed projects, projects that would have yielded much needed jobs not only on the projects themselves but in the production and transportation of the materials used.

As I indicated at the beginning, I do not intend to belabour the shortcomings of the government. These are well known. I simply wish to point out in a friendly way that the brave new world promised by the Conservatives prior to June, 1957 has failed to materialize.

It would seem that Conservative government policy falls into two broad categories: first, an attempt to outbid the Liberals with the people's own money and, second, that political expediency replace prudent planning. How often do we hear the expression that members of the government are acting like kids in toyland for the first time, trying out all the gadgets and free rides. I suggest that their journey into fairyland is over. Canadians expect them to stop acting and to settle down and grapple with these serious Canadian problems. Much valuable time has been lost already. This year Canadians will be expecting more on budget night than a blue message read from a blue lectern by a blue minister with a blue flower in his blue lapel.

Mr. Fleming (Eglinton): A very good political colour.

Mr. McIlraith: Depression blue.

Mr. Fleming (Eglinton): It made the Liberals blue.

Mr. Garland: I should like to turn now to problems directly affecting the district of Nipissing. Some few weeks ago Premier Frost

announced his government's intention to establish a port at Moosonee which would provide safe, all-year-round anchorage for ocean-going ships. At that time the premier said that the ocean port would be established with or without federal assistance. I realize that this is an election year in the province of Ontario and critics of the government may well be suspicious that this is an election promise. However, it seems that the Ontario government has approved $5 million to start the project and it is reported that engineers and drillers are currently on the site.

I know this matter has been discussed with the federal government and hope has been expressed that they will be sufficiently interested in the Moosonee project to build suitable docks there. It is also to be expected that private mining companies and others will be building their own docks. In addition, it is hoped that an all-weather landing strip will be constructed with the materials dredged from the bottom of the river. I should like to urge the cabinet to give this project its wholehearted support.

The establishment of this deep water port at Moosonee will make our whole northland readily accessible to the industrial centres of Canada. Here, it seems to me, is a ready-made project which the federal government could readily endorse. This is a project that could be proceeded with now, not at some future imaginary date. I suggest this government, which has, by its statements, indicated such profound interest in northern development, do everything within its power to encourage its friends in Ontario to get on with this development. In this way they can silence the critics who would say that Ontario is only dragging this out because it is an election year. I urge the government to recognize that here is an opportunity to do one important but not costly thing for the 18 million Canadians we have today, rather than sit around dreaming about the 100 million of which the Minister of Northern Affairs and National Resources (Mr. Hamilton) spoke on Monday.

I should also like to make a request of a regional nature concerning work on this Moosonee project. If the federal government does enter into an agreement with Ontario I would hope that since this is a northern Ontario project northern Ontario firms might be given every opportunity to participate in this development. I understand that contracts being carried out at the present time in connection with the preliminary surveys were awarded without asking northern Ontario firms to bid. On a local basis I can think of at least three or four drilling firms in my own city which are highly competent to undertake this work and which would have been most anxious to tender had they been given an opportunity.

In this connection I should like to suggest that when defence installations are made—I am referring now to the Bomarc anti-aircraft missile base—northern Ontario firms should be given every opportunity to participate. I recognize that these projects are of a national character and that discrimination cannot be shown against any firm, regardless of its location in Canada. However, I do urge that wherever possible local northern Ontario firms be given every opportunity to provide their services, having regard to their technical capabilities.

May I turn now to a matter of local and national interest, namely the plight of a basic Canadian industry, the manufacture of Canadian plywood. The plywood industry in Canada is divided into two main sections; softwood, which is for the most part Douglas fir produced in British Columbia and hardwood, produced in eastern Canada, the prairie provinces and British Columbia.

May I go a step further and explain that I am concerned primarily with one division of the hardwood plywood section which has to do with decorative hardwood plywood. The production of decorative hardwood plywood is centred in eastern Canada. It involves approximately 30 companies located in small communities in Ontario and Quebec. This industry employs about 4,600 persons, with an annual payroll of approximately $12 million and a production value of approximately $43 million. This industry is experiencing considerable difficulty and is currently operating at a depressed level. I am advised that in 1957 eight companies had a consolidated loss of approximately $575,000 as compared with an average profit of $1,316,000 during the four previous years.

The reason for this depressed state of the industry is well known to the government and especially to the members of parliament on both sides of the house who represent the constituencies where these plywood mills are located. It is reported that Japanese imports have actually captured more than 50 per cent of the hardwood plywood consumer market in Canada. This problem has resulted from the fact that Japanese plywood can be retailed in Canada for less money than it costs a Canadian manufacturer to produce. In January, a year ago, representatives of the industry discussed this matter with the Minister of Finance (Mr. Fleming) and presented the problem squarely to him.

Mr. Green: May I ask the hon. member a question? It is a very interesting problem which he has raised: what would he do about it himself?

Mr. Garland: I have great respect for the Minister of Public Works who is a very experienced and very astute politician, but I do not intend to illuminate him. I will probably think of a smart rejoinder on the way home. Suffice it to say that if I was sitting on the other side of the house and in the minister's position I would know the answer.

Mr. Green: You were here for a long time and you did not know the answer.

Mr. Garland: I am not talking about a long time ago. This is a problem which must be dealt with now.

Before I was invited to advise the government I was saying that in January, a year ago, representatives of the industry made representations to the Minister of Finance and placed the matter squarely before him. At that time the minister seemed interested in the problem and agreed to discuss the difficulty with the Japanese ambassador to see if some solution could not be worked out.

It is reported the minister found the Japanese government willing to apply voluntary controls on their plywood exports. A quota was to be placed on Japanese exports of plywood from April 1 to December 31 of last year. The Japanese plywood industry agreed to reduce its exports by 10 per cent from the 1957 levels. Figures for 1958, however, show that Japanese plywood exports to this continent are on the increase. Another highly important aspect of this situation is that shipment of veneers ready to be glued into plywood is in a category which falls outside the quota system. I recognize at once that there is no easy solution to this problem. However, the government must take action in the very near future if our Canadian hardwood plywood industry is to continue to exist.

Let me relate this problem to the local level. I have in mind the Guelph Plywood Company Limited with mills located at Mattawa, in the east end of the district of Nipissing, and in Scotstown, Quebec—I hope the hon. member for that district will not object to my referring to his area. After 50 years of operation the plywood mill at Scotstown had to be closed, which removed from that community, I am told, virtually its sole means of support.

At Mattawa, a town of 3,500 people, the Guelph Plywood Company Limited is also the main source of employment. Since Japanese manufacturers have taken over 50 per cent of the North American plywood market the industry at Mattawa is considered to be in a dangerous position. Representations have been made to the Minister of Labour (Mr. Starr) with regard to this danger and, as I have mentioned, additional representations have been made to the government through the Minister of Finance.

The Guelph Plywood Company Limited have made every effort to sustain activity at Mattawa and have succeeded by the questionable means of exporting veneer to the United States instead of finished plywood. This is a retrograde step so far as Canada is concerned, inasmuch as it is using our natural resources to our minimum advantage.

It should also be pointed out that while endeavouring to maintain activity at Mattawa the company has responsibilities to the provincial department of lands and forests for the upkeep of their licences in respect of the crown lands they hold. This company accepts and discharges these responsibilities at considerable cost. Means of recovering the outlays and promoting better forestry are greatly curtailed by the loss of markets. The Guelph Plywood Company's over-all employment payroll has fallen from approximately 300 people to less than half that figure. Their woods operations have been greatly curtailed with a production of logs of possibly half what it was previously.

This firm, as well as many others in the decorative hardwood plywood industry, are anxious to take their place as a sound Canadian industry, paying adequate wages, pursuing the best forestry practices, producing a volume of exports for the national benefit, and maintaining research facilities which will keep their industry to the forefront. This they cannot do under the circumstances in which they find themselves today.

Mr. Green: May I, in all seriousness, ask the hon. member another question? Has he no suggestion to offer as to how this situation could be remedied?

Mr. Garland: I should be very delighted to make suggestions if I were on the other side of the house.

Some hon. Members: Oh, oh.

Mr. Pearson: I wonder if I might answer the hon. gentleman?

Some hon. Members: No.

Mr. Crestohl: This government has no answers.

Mr. Nixon: The government does not want an answer.

Mr. McGee: Mr. Speaker, I wonder if the gentleman would permit a question.

Some hon. Members: Sit down.

Mr. Garland: I repeat, Mr. Speaker, that there are plenty of provisions for dealing with

this matter. One of my parliamentary assistants, if I may use that sensitive term, has suggested that I remind the government that there are provisions in the Japanese trade treaty.

The industry to which I have referred has no wish to see the dangerous trend I have outlined continue. Those in the industry believe that the responsibility they bear is one that must be shared in part at least by the government.

The industry will seek action by making further representations to the government and I would hope that this problem in a basic Canadian industry will receive the most serious consideration by the cabinet. I recognize the difficulties involved. Trade is a two-way street. It is understandable that our Japanese friends, at the diplomatic level, are careful to point out that their purchases from Canada are many times larger than Canadian purchases from Japan. But it should also be remembered in dealing with this matter in a friendly way with the Japanese that this is not a basic industry in Japan. In this case all wood is picked up in the Philippines, transported to Japan, processed there, and then thrown on the Canadian markets at prices substantially lower than those for which we can produce locally. I repeat that the government must face up to this problem in one of our basic Canadian industries.

Mr. McGee: Mr. Speaker, I wonder if the hon. gentleman would permit a question now that he has resumed his seat?

Some hon. Members: Sit down.

Mr. Habel: You made your speech.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, during the course of this debate there have been many flattering remarks made about the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address and I believe these remarks were very well earned. However, I am always worried that flattery may ruin a young member of parliament and in fact I have seen that happen in several instances. I am perfectly certain that these two young and very promising members will accept the flattery in the right way and realize that there are many obstacles to be overcome before most of us get within shooting distance of the top in public life. It so happens that there are many promising young men in this house, practically all on the government side fortunately—

Mr. Pearson: They are "promising" all right.

Mr. Green: —although there are all too few on the other side.

Mr. Pearson: Yes, there are too few on this side.

Mr. Nixon: Truer words were never spoken.

Mr. Green: In view of the fact there is such a wealth of talent I am sure that not one of these young hon. members is going to be spoiled during the present parliament and we expect they will all turn out to be leading statesmen of Canada.

The debate at the moment is on the amendment moved by the Leader of the Opposition (Mr. Pearson) which is in the following words:

> We respectfully affirm that Your Excellency's advisers, by reason of contradictory and confused policies; as well as lamentable indecision in dealing with grave national problems such, for example, as those concerned with mounting unemployment, no longer merit the confidence of this house.

Mr. Speaker, this is a rather strong amendment, although exaggerated it is true, and losing a great deal of its effect because of the broad grin on the face of the Leader of the Opposition when he read it.

Mr. Pearson: Not at all; I was very serious.

Mr. Robichaud: His grin was not as broad as the one on your face right now.

Mr. Pearson: Why is the minister laughing?

Mr. Green: The amendment was weakened not only because of the failure of the Leader of the Opposition to read it with conviction but because of his failure and that of the other three horsemen of the Apocalypse and the lesser lights behind them to follow through with this fighting amendment.

Mr. Pearson: We have heard that before.

Mr. Green: I thought that we on this side of the house were going to be torn to pieces in this debate. But what happened? The C.C.F. moved a subamendment, one of their usual amendments with a big bait of socialism tacked on it. We on this side know all about those baits because we had to deal with them for many years when we were on the other side. To my amazement the Leader of the Opposition swallowed this socialist bait hook, line and sinker and tagged along behind the small group of eight C.C.F. members in this house.

May I point out to the hon. gentleman in all kindness that he is never going to build up this hulk across the floor of this house in that way. He will have to find a better system than that. Not only did the hon. gentleman try to climb aboard the C.C.F. boat but just before the vote was taken on the C.C.F. subamendment and then again through the words of the hon. member for Laurier (Mr. Chevrier), who is the house leader for the official

opposition, after the vote the Liberal party made a great gesture. "We want the government to get on with the business of solving the problem of unemployment and we will forget all about our amendment", they said.

Some hon. Members: Hear, hear.

Mr. Green: "Let us get this vote over with right away," they cried.

Mr. Pearson: And get to work.

Mr. Green: Yes, they said "let us get down to work". This was the story. They had not a thing to back up their strong amendment nor do they have a thing tonight to back it up.

You know, Mr. Speaker, just a couple of weeks ago I was really frightened at the prospect of facing the official opposition in this house in view of press reports I read such as the one I hold in my hand which appeared in the Vancouver *Province* of January 19, under the caption, "Rough, Tough Ottawa Session Predicted As Pearson Leads New Fighting Liberals". And tonight we have before us the official opposition. The man-eating tiger that was going to maul and devour the government turns out to be the same old tabby cat we faced across the floor of this house during the last session.

An hon. Member: You are too tough to eat.

Mr. Pearson: Tell us about the public works program.

Mr. Green: When we ask the Leader of the Opposition and the hon. member for Nipissing (Mr. Garland) and other hon. members in the Liberal party, these men who were sent here to represent a large number of the Canadian people, to offer suggestions as to meeting some of the problems which confront the Canadian people today they are unable to do so.

Mr. Robichaud: You asked us how to do your job. You do not know what to do.

Mr. Garland: Mr. Speaker, may I ask the minister what is the policy of his government with respect to unemployment?

Mr. Pearson: You are a minister now; you tell us.

Mr. Green: The Leader of the Opposition had this to say about the responsibilities of hon. members of parliament who happen to be sitting in one of the opposition parties—

Mr. McIlraith: What about your responsibilities as a minister?

Mr. Green: He said on Saturday:

> We are tired of being asked by the government side what we would do.

[Mr. Green.]

I know there is a school of thought which thinks that all anyone in opposition has to do is just to criticize but I suggest to you, Mr. Speaker, that this is not being efficient public servants. These men across the way were sent here to make suggestions as to ways in which Canada can be strengthened.

Mr. Pearson: May I ask the minister a question? I do not want to interrupt his very interesting speech on government policy but I would ask him, now that he has reached this point, will he not take advantage of this opportunity to deal with the seven proposals for government policy which I made in my original speech?

Mr. Green: The hon. member's proposals were not suggestions; they were just trick questions. I know you don't like this but you deserve it and you are going to get it. If the Leader of the Opposition and the other Liberal members in this house think they are going to render much service to the Canadian people in the next four years by sitting across there and just being critical without making any constructive suggestions they are badly mistaken.

Mr. Godin: What is the minister doing now?

Mr. Green: So much for this strong, powerful amendment moved by the Leader of the Opposition; I do not think it merits any further consideration.

One of the basic beliefs of the Progressive Conservative party, and a belief which has been held by the followers of that party from the days of Sir John A. Macdonald—

Mr. Pearson: It was not Progressive in those days.

Mr. Green: —has been a national development policy. When we were in opposition we put forward this policy on many different occasions and I am going to read it to the house tonight because this has been and is basic in our approach to the problems facing the Canadian people.

Mr. Godin: Is this a new policy?

Mr. Green: This was moved by the present Prime Minister (Mr. Diefenbaker) on February 11, 1957, and had been moved before that and it was moved on other subsequent occasions:

> This house is of the opinion that the welfare of the Canadian people requires the adoption now of a national development policy which will develop our natural resources for the maximum benefit of all parts of Canada, encourage more processing of those resources in Canada, correct the present serious unfavourable trade balances, foster wider

financial participation by Canadians in the development of our resources and promote greater opportunity and employment for a steadily increasing population.

Summed up, this means nation building, and tonight I propose to point out how we have been following this course since taking over the government of the country in 1957. I cannot deal with all of the questions which could be classified under this proposal but I shall deal with some. Mind you, Mr. Speaker, behind this policy is the belief that our nation, with its resources, not only raw materials but also lavish energy sources such as coal, oil and gas, hydroelectric power and uranium, and above all, with the courage, common sense and character of the Canadian people, can become one of the great nations of the world.

Let me tell the story briefly of our experience with housing, which is one way of building a nation and a very good way at that. I have here a clipping from the Vancouver *Province* of February 1, 1957. This was about four months before the defeat of the last government. The heading is:

Builders Go Bankrupt as Money Gets Tight

The article continues:

Many contractors now under the gun.

Withdrawal of mortgage money for home building has hit contractors here and resulted in bankruptcy of several firms.

Nothing was done by the former government to meet that situation. We had not been in power very long until we began to get complaints from the men in the building industry in various parts of Canada, and also from young Canadians who were unable to get a home. I think at that time, in the late summer of 1957, the Canadian industry which was closest to getting into a state of depression was the house-building industry. As you know, Mr. Speaker, although we were very green in office—

Some hon. Members: Oh, oh!

Mr. Pearson: Green is right.

Mr. Green: Green is a favourite colour of mine. I always fight my elections in green and with the slogan, "Keep Quadra Green."

We moved to meet the situation by making available for the construction of small houses the $150 million which then remained under the terms of the National Housing Act. Twice after that we increased the amount, first by $150 million and then by $350 million, and hon. members will have noticed that we now propose to increase the amount by a further $250 million. This was done primarily for two reasons or may I say three reasons: one, to maintain the house-building industry, which I believe is the most important industry in Canada; two, to provide employment; three, to give young Canadians a chance to own their own homes; also to provide more lower rental accommodation and to provide for more slum clearance schemes such as, for example, the new project I announced earlier this week which is to be undertaken shortly in the city of Windsor.

The results, Mr. Speaker, as everyone will admit have been spectacular. In the last calendar year there were over 163,000 housing starts. We do not have the exact figures yet; it will be some days before we can give it exactly but this is about 25,000 units higher than the record in 1955 and it is over 40,000 higher than the number of starts in the calendar year 1957.

In so far as completions in 1958 are concerned, they have set a record of about 146,000 units. The previous record was 135,700 in the year 1956. The carry-over of houses under construction in Canada in midwinter is higher than it has ever been, about 88,000 units. Even more remarkable is the fact that there continues to be an excellent market for these homes. We have always watched very carefully for any indication that there were too many of these small homes being built. However, as of the end of December, there were only 3,239 which had been completed and were unoccupied, and that included single units and duplexes, whereas in December, 1957, there were 2,765. When you realize the greatly increased number of completions in 1958, you will see that there is, as yet, no indication that the market is breaking.

The officials of Central Mortgage and Housing Corporation have recently interviewed the heads of all the banks and lending institutions, and have been told that there will be about the same amount of money put up by these companies for mortgage lending in 1959. All indications are that this present year, 1959, will be another splendid year for house-building in Canada.

We believe that in our housing policy we are really building Canada. I have here a letter from the secretary-manager of the national retail lumbermen's council of Canada, dated November 26, in which he says:

I have been asked by the National Retail Lumbermen's Council of Canada to write to you and to express the sincere appreciation of the 2,000 lumber retail firms which make up its membership, for the forward thinking which has been exhibited by the federal government in making available the very large sums of money to assist in the housing program.

The members of the National Retail Lumbermen's Council of Canada are well aware of the very material benefits which have resulted from this action and feel that it has been most timely and beneficial to all segments of the Canadian economy as well as to their own businesses.

We have had similar word from many other responsible organizations across the country. I do not believe anybody, even on the other side of the house, questions the accuracy of the statements contained in that letter.

So much for housing; then, I should like to tell briefly the story of the activities of the Department of Public Works in building Canada during the last year and in 1959. It should be realized that this is only one of the building departments. Transport, we think, gets more money than we do. Defence production and other departments also do building; in public works there has been a tremendous program under way from coast to coast. My officials tell me that there have been 292 different projects, all of them over $15,000, which would not ordinarily have been proceeded with in the fiscal year 1958-59. In addition to that, there have been many, many projects under $15,000.

I must admit it is a bit discouraging to a minister of public works to have lock-outs and strikes such as there were in Vancouver for the whole of this last summer when there were many millions of dollars worth of construction under contract and waiting to be done. This is one of the discouraging aspects, and I think it is an aspect which everyone, no matter what his political belief, should face.

Then, during the present winter, in addition to these programs I have mentioned we have had the winter work program in co-operation with the municipalities. The idea for this came from a very worth-while, informal conference between the members of the cabinet and the representatives of the various municipalities of Canada. Most of the outstanding mayors of the country came here last fall and gave us excellent ideas. One of them was this winter works program.

This program is so designed that it is available to every municipality. In fact, the first municipality in British Columbia to pay money under it was one of the very smallest, the municipality of Kent. This program is available to all the municipalities in Canada who wish to take advantage of it. There has been co-operation as well by the provincial governments. This has been a truly national co-operative effort, and I believe it is one which might very well be carried on every winter.

Then we have had a program of building small post offices across Canada. There have been between 65 and 70 small post offices rushed on in order to provide employment. There have been the community stages described this evening by the hon. member for St. John's East (Mr. McGrath). These have all been worth-while projects, and certainly they have all helped. We do not have to offer any apologies for any of these programs. It is significant that general construction, including housing of course, was at a record level during the year 1958. The president of the Canadian construction association predicts that 1959 will see an even higher record.

Then I should like to go on for a few minutes to the broader aspects of national development policy. Here, too, we have a good story to tell. Let us consider the dam on the South Saskatchewan river. This project is actually under way. Contracts have been let. My, how long we would have had to wait for a Liberal government to get around to doing that particular one. This is a great nation-building project.

Then, there is the Columbia river. Here is another huge nation-building project. This afternoon you heard the Secretary of State for External Affairs (Mr. Smith) read an announcement to the effect that the United States has now agreed that the question of downstream benefits should be worked out between the two sections of the international joint commission. This is the first time they have admitted that Canada is entitled to any downstream benefits. Here is a self-liquidating development which we believe can now go ahead with great benefit to both Canada and the United States and, above all, of great benefit to the people of my native province of British Columbia. If this project can be undertaken, it will mean great industrial development in the southeastern interior of British Columbia, in the Kootenay valley and in the Okanagan valley. It will mean cheap electric power in the lower mainland. It will give that province the greatest impetus it has ever had since its establishment over 100 years ago.

It is true that this project will depend upon the co-operation of the government of the province of British Columbia. They have been giving some indication that they would prefer to have a pet scheme of their own up on the Peace river developed by the Wenner-Gren interests. I can only say this. If this Columbia river project is killed by failure of the government of British Columbia to co-operate they will be doing a great disservice to the people of our province and to the people of Canada.

I wish to refer also to these famous old cities of Fort William and Port Arthur at the Canadian lakehead. They are greatly worried at this time. They see the St. Lawrence seaway being developed and they read in the Duluth *News-Tribune* of January 11

that a group of Canadians, if you please from Winnipeg are proposing to build a big port development at Duluth, Minnesota, for this purpose, and I quote from this article:

Freeman—

Mr. Freeman is the Winnipeg promoter of this scheme.

—is reported to have in mind making Duluth the port for the rapidly developing western Canadian provinces as well as the mid western and western parts of the United States.

This government has been greatly interested in the lakehead. For over a year we have had our engineers considering where best harbour terminal facilities could be installed. Then we engaged engineering consultants, Sir Alexander Gibb and Associates. They have just finished their preliminary report. There is some controversy as to which of two sites should be chosen. One of them is right at the boundary between the two cities. The other is over on the west side of Fort William. They have recommended that the site at the boundary should be used for these terminal facilities. The government intends to accept this recommendation and to get ahead with the construction of these harbour terminal facilities just as quickly as possible. The new harbour terminal will include the facilities for handling ocean-going ships and will assist the lakehead ports in meeting the changes in transportation patterns resulting from the opening of the St. Lawrence seaway. The first tenders are expected to be called in the next two or three months. The preliminary estimate of the total cost of the development is approximately $5 million.

Then the lakehead has also been worried because of the threat of the closure of the Canadian car company's plant there. A few weeks ago members of the cabinet met a delegation from the lakehead, including the members; the mayors of the two cities; the provincial minister, Hon. George Wardrope; the provincial member for Fort William, Hon. C. E. Mapledoram; and the representatives of various groups in the cities. They told us their story. We had a very helpful discussion. Subsequently we have had discussions with officers of the company. Today the Canadian car company has been instructed to proceed immediately with further development of the amphibious tracked personnel carrier known as the Bobcat. This vehicle has been designed by the army and Canadian car company engineers and has attracted military interest in both hemispheres.

This announcement underlines the role the Bobcat may play in future defence plans. Recent tests of three prototype vehicles have established the tactical effectiveness of the Bobcat as a defence weapon of the future. This further development will be closely followed by army engineers and defence requirements are being studied.

I point out that this weapon is still in the development stage, but this move is something which has been taken in the hope that it will be of help to the citizens of the lakehead. I have no doubt there will be a statement being made by the officers of the company within the next few hours.

Then I might go on to mention the causeway to Prince Edward Island. There again we expect to have a report in within the next few months, by the end of March.

Mr. McIlraith: Who initiated that report?

Mr. Green: We did.

Some hon. Members: Oh, oh.

Mr. Green: Hon. members opposite talked about it. We did it. Another one is the new postal terminal at the city of Quebec. Here again there had been talk for years. These Liberals holding all the seats in Quebec city and in the surrounding country did not get anywhere on the construction of the postal terminal in Quebec. We now believe that we shall have the "go ahead" from the city within the next six weeks. Then the postal terminal will be commenced. I might go on to mention the St. John's harbour. That is another case where we rescued a derelict idea of the former Liberal government and put it into actual being.

I also might mention the reference in the speech from the throne to the establishment of a national energy board. The paragraph reads as follows:

At the earliest opportunity you will be invited to authorize the establishment of a national energy board to ensure, so far as it lies within the jurisdiction of parliament, that Canada's energy resources are used effectively and prudently to the best advantage of Canadians.

Here is another step toward implementing our national development plans. Various departments have had to do with different aspects of energy up to the present time. We believe that order can be brought out of this confusion by the setting up of a national energy board.

Mr. Pearson: May I ask the minister a question on that matter?

Mr. Green: Yes.

Mr. Pearson: Would this board cover all the sources of energy about which he has been talking?

Mr. Green: Mr. Speaker, it would be quite improper for me to forecast the terms of the legislation. That is something that will be seen within the next few weeks.

We are also greatly concerned about and are studying ways and means of bringing about more processing of Canadian metals in Canada. I refer to such minerals as iron and many others. We believe that they should be processed to the maximum within our own country. To listen to these members of the opposition, Mr. Speaker, you would think that everything had stopped in Canada just to let them do a lot of whining. May I say that the development of the nation has been going right ahead ever since we took office on June 21, 1957 and it is going to continue to go ahead no matter how loudly these calamity howlers cry during the whole of this parliament.

I have a very good authority to whom my Liberal friends perhaps will listen—Bruce Hutchison. You have heard of Bruce. He is a well known Liberal. He writes books about the late William Lyon Mackenzie King. I do not know that they are entirely flattering but he does write these books. He does not make any pretence to be anything but a red hot Liberal. In fact, he is a lot hotter Liberal than members of parliament across the way. Toward the end of the last session of parliament he had this to say as found in the *Financial Post* of August 23, 1958:

> We have managed, in all the confusion of the last year, to erect a vigorous, adventurous, flexible government—

We are members of a great team. Conservatives in this House of Commons are members of a great team led by a leader we admire and for whom we have the utmost affection. We realize the trust that has been placed in us by the Canadian people and we do not intend to let them down.

I believe, Mr. Speaker, no matter what sort of act may be put on across the floor that everybody in this house expects Canada to make great progress in 1959. Furthermore, I suggest that every member across the way right down in his heart of hearts thinks that the government is not doing too badly. I am sure that in this session, working together, and after all we can work together if we want to, we can give real leadership to the Canadian people, but the responsibility for doing that rests not only with the members who happen to be supporters of the government but also with every member in both the opposition parties.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, my time is somewhat more limited than I would wish before the vote is taken.

Some hon. Members: Good.

Mr. McIlraith: After what we have had to sit and listen to for the last forty minutes it is apparent why backbenchers on the government side would applaud. I want to point out that the minister who has just taken his seat has in his speech been the best example we have had of the—

Some hon. Members: Hear, hear.

Mr. Speaker: Order.

Mr. McIlraith: —indecision and uncertainty of the present government and the fact that it is not dealing responsibly with the great problems that confront us. Lest anyone believe that the views of Bruce Hutchison which he just quoted represent the whole of Mr. Hutchison's views, let me quote from Mr. Bruce Hutchison's article in *Maclean's* of January 31, 1959—

Some hon. Members: January 31?

An hon. Member: How confused can you get?

Mr. McIlraith: He refers to the present crisis and the incompetence of the government in dealing with it in this way:

> Economics and politics thus combine to make what I believe to be the gravest crisis, (apart, of course, from international affairs) since the great depression.

That was a pretty serious indictment and perhaps the minister might well have taken some of his time to deal with some of the problems that have arisen in the great economic crisis facing the country instead of taking virtually all of his time except for a bit about housing, which is a responsibility of his own department, to make personal remarks about the opposition. I trust that when hon. members read *Hansard* tomorrow and examine the use of the word "tabby-cat" tonight by the minister in the context in which it was used by him they will see what I mean.

Starting with the Prime Minister (Mr. Diefenbaker) and followed by all the ministers who have spoken in the debate so far we have had an example of abuse of the traditional practice of ministers in the throne speech, the like of which we have not had in the past forty or fifty years. I refer to them refusing to deal with matters of policy by putting them forward, explaining them, exposing their policies or criticizing the policies put forward by us. Instead, they spent their time on personal attacks. If they wish to do that it is all very well, but may I respectfully suggest to them that they forget their campaining for a while and give some little part of their time to the business of the country. Let them give consideration to the actions they are now taking and have been taking in the last year which are bringing about inflation and the actions they are taking in the trade field and the financial and fiscal field which are contributing so directly to the unemployment we have today.

We have higher unemployment today than we have had since the previous Conservative government was in office in the thirties.

An hon. Member: What about 1955?

Mr. McIlraith: Instead, the Minister of Public Works (Mr. Green) gets up and tells us how we are building Canada, "we" meaning the government. If they are permitted to continue their policies for many years they will build Canada into a nation of unemployed.

Mr. Speaker: It being 9.30 o'clock p.m., it is my duty, pursuant to section 4 of standing order 38, to interrupt these proceedings and put forthwith the question on any amendment now before the house.

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

Division

YEAS

Messrs:

Argue
Badanai
Batten
Boivin
Boulanger
Bourget
Bourque
Brassard (Lapointe)
Caron
Carter
Crestohl
Denis
Deschatelets
Dumas
Dupuis
Eudes
Forgie
Garland
Godin
Gour
Habel
Hardie
Hellyer
Herridge
Houck
Howard
Leduc
Lessard
Loiselle
Macnaughton
McIlraith
McMillan
McWilliam
Martin (Timmins)
Meunier
Mitchell
Nixon
Pearson
Peters
Ratelle
Regier
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robichaud
Rouleau
Tucker
Winch—48.

NAYS

Messrs:

Aiken
Aitken, Miss
Allard
Allmark
Anderson
Asselin
Baldwin
Barrington
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Best
Bigg
Bissonnette
Bourbonnais
Bourdages
Brassard (Chicoutimi)
Brooks
Broome
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Campeau
Casselman, Mrs.
Cathers
Chambers
Charlton
Chown
Churchill
Clancy
Comtois
Cooper
Creaghan
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Doucett
Drouin
Drysdale
Dubois
English
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flynn
Forbes
Fortin
Frechette
Grafftey
Green
Grenier
Grills
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Hanbidge
Hees
Henderson
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Johnson
Jorgenson
Jung
Keays
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lafreniere
Lahaye
Lambert
LaRue
Latour
Legere
Lennard
Letourneau
Macdonald (Kings)
Macdonnell
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacRae
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McGregor
McIntosh
McLennan
McPhillips
McQuillan
Maloney
Mandziuk
Martel
Martineau
Martini
Matthews
Monteith (Perth)
Monteith (Verdun)
Montgomery
More
Morissette
Morris
Morton
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Paul
Payne
Pearkes
Phillips
Pigeon
Pratt
Pugh
Rapp
Rea
Regnier
Ricard
Richard (Kamouraska)
Robinson
Rogers
Rompre
Simpson
Skoreyko
Slogan
Small
Smallwood
Smith (Calgary South)
Smith (Hastings-Frontenac)
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Speakman
Stanton
Starr
Stearns
Stefanson
Stewart
Stinson
Tasse
Taylor
Thomas
Thompson
Tremblay
Villeneuve
Walker
Webster
Weichel
White
Winkler
Woolliams
Wratten—174.

Mr. Speaker: I declare the amendment lost. The question is now on the main motion.

Some hon. Members: Question.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, in view of the fact it is about five minutes to ten o'clock and we have all had a long day I wonder whether I could—

Some hon. Members: Keep on.

Mr. Nesbitt: I take it the necessary consent is not to be given to adjourn at this time.

Mr. Caron: Keep on or vote.

Mr. Nesbitt: Mr. Speaker, I will commence my remarks and I will continue tomorrow.

First of all, I would like to congratulate the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the motion now before the house.

Mr. Speaker: Order. If hon. members insist on hearing the member for Oxford they should at least give him an opportunity to speak.

Mr. Nesbitt: Mr. Speaker, I would like to congratulate the mover—

Mr. Speaker: Order. It being ten o'clock the house stands adjourned until eleven o'clock tomorrow morning.

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

ANSWERS TO QUESTIONS

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

POULTRY IMPORTS FROM U.S.

Question No. 38—**Mr. Boulanger:**

Statistical Class No.	Description
2260	Turkeys, dead or alive n.o.p. .....
2259	Chickens and fowl, dead or alive n.o.p. .....
2254*	Poultry, n.o.p., and game; quails, partridges, and squabs, dead or alive, n.o.p. .....
2264*	Canned meats, including poultry or game, n.o.p. .....
2013**	Baby chicks and turkey poults ....
2015**	Fowls, domestic, pure bred .....
2021**	Animals, for improvement of stock, n.o.p. .....

*Separate figures are not available for poultry included in these two statistical classes.

**Quantity not available in pounds. The figure for class 2015 covers the period April 1, 1957 to Dec. 31, 1957 only, as effective January 1, 1958 this class was discontinued and included in class 2021.

IMPORTS FROM UNITED KINGDOM

Question No. 39—**Mr. Boulanger:**

What was the value of imports from Great Britain for the period from June 1, 1957 to May 31, 1958, of boots and shoes, textiles, automobiles, machinery and parts thereof?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

Statistics of imports of boots and shoes, textiles, automobiles and machinery and parts from the United Kingdom to Canada are as follows:—

June 1, 1957 to May 31, 1958	Value
Boots and shoes	$ 4,099,926
Textiles	43,194,886
Automobiles	41,154,263
Machinery and parts	52,455,029

SNOW REMOVAL CONTRACTS, NATIONAL FILM BOARD GROUNDS

Question No. 44—**Mr. Rouleau:**

1. What firms were awarded the contract for snow removal from the grounds, streets and sidewalks of the national film board at St. Laurent (a) for 1957-58; (b) for 1958-59, and at what price each year?

Questions

How many pounds of turkey and other poultry has Canada imported from the United States between April 1, 1957 and March 31, 1958, and between April 1, 1958 and December 31, 1958?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

Statistics of imports of turkey and other poultry from the United States to Canada, are as follows:

Unit of Qty.	April 1, 1957 to March 31, 1958	April 1, 1958 to (latest) Oct. 31, 1958 (avail.)
Lb.	5,900,635	203,451
Lb.	4,613,843	2,299,301
Lb.	1,247,192	915,545
Lb.	2,896,795	1,693,439
No.	2,623,773	4,998,731
No.	7,828	——
No.	741	1,496

2. Were the said contracts awarded after public tenders?

Answer by: **Hon. Howard C. Green (Minister of Public Works):**

1. (a) 1957-58—Western Sod Supply Reg'd., Montreal, P.Q. $3,900; (b) 1958-59—Western Sod Supply Reg'd., Montreal, P.Q. $3,700. Due to delay in getting started on this contract for 1958-59, it was reduced by the contractor, after negotiation, by $700, making the actual amount $3,000.

2. The contracts were awarded as the result of a local public tender call.

CAUSEWAY SURVEY, P.E.I.-N.B.

Question No. 45—**Mr. Macquarrie:**

1. What firm or firms have been engaged in the survey of the feasibility of building a causeway between Prince Edward Island and New Brunswick?

2. Has the research determined whether or not there is available in the area rock which would be suitable for the construction of a causeway?

3. What other aspects of the projects feasibility have been studied?

4. When is the survey expected to be completed?

Answer by: **Hon. Howard C. Green (Minister of Public Works):**

1. C. B. Joint Venture, of which C. B. A. Engineering Limited and Canadian-British Engineering Consultants are the two member firms.

2. This has not been definitely established yet.

3. (i) Tides and currents. (ii) Shoreline condition and land use. (iii) Ice conditions. (iv) Alternate site investigations, borings, and soundings.

4. The consultants' report covering alternate feasible designs is scheduled for completion by March 31, 1959, but on receipt of this an assessment will have to be made of the remedial works along the strait which would be required as a result of construction of the project to the design selected.

COLLECTOR SEWERS, SHERBROOKE, QUE.

Question No. 58—**Mr. Dupuis:**

1. Has the city of Sherbrooke asked for grants in connection with the building of one or more collector sewers in Sherbrooke, Quebec?
2. If so, to what department?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1 and 2. The Department of Labour has not received an application from the city of Sherbrooke for federal assistance under the municipal winter works incentive program in connection with the cost of building one or more collector sewers in the city of Sherbrooke.

WINTER WORK AGREEMENTS, GATINEAU COUNTY, QUE.

Question No. 59—**Mr. Leduc:**

What towns or rural municipalities in the county of Gatineau have signed agreements with the federal government in order to benefit by the grants offered by the government for winter work carried out in such municipalities or towns for the relief of unemployment?

Answer by: **Hon. Michael Starr (Minister of Labour):**

The Department of Labour has not received any applications covering winter works projects from towns or rural municipalities in the county of Gatineau, under the municipal winter works incentive program.

HOUSE OF COMMONS

Friday, January 30, 1959

The house met at 11 a.m.

TRANS-CANADA HIGHWAY ACT

AMENDMENT TO INCREASE MAXIMUM EXPENDITURES TO THREE HUNDRED AND FIFTY MILLION DOLLARS

Hon. Howard C. Green (Minister of Public Works) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Trans-Canada Highway Act to provide that the aggregate of all expenditures under sections 4, 5 and 6 of the act may be increased to a maximum of three hundred and fifty million dollars.

Motion agreed to.

NATIONAL DEFENCE ACT

AMENDMENTS RESPECTING COURT MARTIAL APPEAL BOARD, ETC.

Hon. G. R. Pearkes (Minister of National Defence) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the National Defence Act by providing for the court martial appeal board to be reconstituted as a superior court of record, to authorize the payment of travelling allowances to its members and to provide also for the appointment of, and the payment of fees to and the travelling expenses of military advisers to the court; and to provide further for certain changes in connection with the administration of the act.

Motion agreed to.

EXTERNAL AFFAIRS

GERMANY—POSSIBLE REVISION OF POLICY ON REUNIFICATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Secretary of State for External Affairs if he would comment on the press report today that Canada has sent a note to its western allies favouring a thorough re-examination of western policy on the questions of Berlin, Germany and European security, with a view to revising the current accepted policy of German reunification through free elections?

Hon. Sidney E. Smith (Secretary of State for External Affairs): I thank the Leader of the Opposition for giving me notice of this question, Mr. Speaker. I may say I am indeed grateful to him for the question. The report in today's *Globe and Mail* on the Canadian attitude toward the Berlin situation is both inaccurate and misleading.

Obviously a question of such magnitude is under constant study within the NATO alliance. Hon. members will recall that at the NATO ministerial meeting last December, which I attended, there was a discussion of the Berlin situation, and at the conclusion of the meeting a statement was issued part of which reads as follows:

The demands expressed by the Soviet government have created a serious situation which must be faced with determination . . . The member states of NATO could not approve a solution of the Berlin question which jeopardized the right of the three western powers to remain in Berlin as long as their responsibilities require it, and did not assure freedom of communication between that city and the free world. The council considers that the Berlin question can only be settled in the framework of an agreement with the U.S.S.R. on Germany as a whole. It recalls that the western powers have repeatedly declared themselves ready to examine this problem, as well as those of European security and disarmament. They are still ready to discuss all these problems.

It would not be useful or fitting, Mr. Speaker, if any member of the alliance were to make public the details of our current discussions. I can say, however, that the Canadian government has not yet taken any position on new proposals for Berlin or endorsed any modification of the well-defined western position on the German problem. Specifically, we have sent no note on this subject to any western capital. Canada is among those who favour a continuous and searching examination of the western position to ensure that the realities of the present situation are taken into account, and we are participating in that examination.

Mr. Pearson: May I ask the Prime Minister a question arising out of the minister's answer. Can he inform the house whether it is proposed to make arrangements for a debate on external affairs in the near future?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, at a date which is convenient to hon. members, after other major matters have been disposed of, the subject will be brought before the house as soon as possible. Naturally the committee

on external affairs will be set up, and this will provide the opportunity for such a discussion as the hon. gentleman suggests.

UNITED STATES—REPORTED REQUEST FOR ROCKET FLIGHT OVER CANADA

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Can the minister say whether or not the government has received a request from Washington that the United States be given permission to fire a rocket from the White Sands proving ground that would take a course over Canada toward Alaska? I might say this arises out of a news report from Washington.

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, I did see that press report. I have no knowledge of any such request having been received.

UNEMPLOYMENT INSURANCE

NOVA SCOTIA—ARRANGEMENTS FOR HANDLING APPLICATIONS FROM COAL MINERS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Labour. Would the minister advise the house what special provision, if any, has been made by the Sydney office of the unemployment insurance commission in order to avoid any delay in providing unemployment insurance benefits to the 4,100 coal miners being laid off today at Glace Bay and New Waterford, Nova Scotia.

Hon. Michael Starr (Minister of Labour): The processing of these applications will be handled very efficiently and as rapidly as possible.

TRADE

TEXTILES—VALUATION OF IMPORTS FROM CHINA

On the orders of the day:

Mr. Grant Campbell (Stormont): I should like to direct a question to the Minister of National Revenue. Is the government aware of the alarming increase in the volume of textile imports from China, which is causing great distress to the Cornwall cotton mills and to other places in this country; and has the government any proposal to deal with this situation?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I had no notice of this question, but I can answer affirmatively and say that the government is aware of the problem raised by the importation of textiles from China. As a matter of fact, during the last couple of weeks very substantial importations have been proposed or have actually entered—quantities running into several millions of yards—and those importations have been made subject to the usual warning that they could be revalued. In fact this week, as Minister of National Revenue, I have taken appropriate action to see that a revaluation of these textiles will be made so they will enter on the basis of similar goods from the United States rather than on the basis of the valuation which the exporters have placed on them, which of course it is impossible to determine because the goods come from a state-controlled country.

Mr. G. J. McIlraith (Ottawa West): May I ask a supplementary question arising from that answer. The question was directed to imports from China, and in his reply the minister referred to millions of yards which had been actually imported, or in connection with which arrangements had been made, during the last two weeks. Was that reference to millions of yards of imports from China, or generally from all countries?

Mr. Nowlan: That reference was to importations from mainland China, and has no reference to importations from Hong Kong.

STATEMENT ON IMPOSITION OF DUMPING DUTIES ON DEFECTIVE GOODS AND REMNANTS

On the orders of the day:

Hon. George C. Nowlan (Minister of National Revenue): Yesterday, Mr. Speaker, the Leader of the Opposition asked me a question with respect to the valuation for duty purposes of other than prime goods, sometimes referred to as seconds, and under what section that was done. The answer is that it was done pursuant to section 38 (b) (iii).

WATER RESOURCES

CHICAGO DIVERSION—PRESS REPORT ON CANADIAN PROTEST

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Would the minister comment on a dispatch from Washington to the effect that the proponents of the diversion of more water from the great lakes at Chicago consider that any objection lodged by Canada was just a memo and would not be construed as an official objection? Also, would Canada make a strong protest against further diversion of water from the great lakes system?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for having given me notice of his intention to ask this question. My previous statements on this matter have, I believe, made our position clear. I cannot comment on any individual's interpretation of a given document. The aide-memoire has been made public and speaks for itself.

With regard to the second part of the question, as I have already indicated to the house, this matter in all its aspects is under careful study by officials. It would be premature for me to anticipate what further action may be taken on the basis of their reports and recommendations, and on the basis of the other representations that are being received and considered.

THE CANADIAN ECONOMY

ROYAL COMMISSION ON ENERGY—STATEMENT ON COMPLETION OF SECOND REPORT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, yesterday the hon. member for Ottawa West asked if I could advise the house as to when the report of the Borden commission might be expected. I replied that I would take up the question so as to provide an answer after consultation with members of the commission. I am now advised that the second report on oil marketing will probably not be ready and available until April or May.

HEALTH AND WELFARE

REPORTED USE OF ANIMAL BLOOD IN HUMAN TRANSFUSIONS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I have a question I should like to direct to the Minister of National Health and Welfare arising out of a newspaper report containing some comments by Dr. Gordon Fryer to the effect that within the next six months or so it might be possible to use animal blood where it is needed for human transfusions. I wonder if the minister would like to comment on that report.

Mr. Speaker: I think if this is a matter for the next six months the question might go on the order paper.

Mr. Bell (Saint John-Albert): We will use the blood of the tabby cats on the other side of the house.

Inquiries of the Ministry

AGRICULTURE

STATEMENT RESPECTING SASKATOON MEETINGS OF CANADIAN FEDERATION OF AGRICULTURE

On the orders of the day:

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, in my absence yesterday the hon. member for Drummond-Arthabaska asked if I were attending the meetings of the Canadian Federation of Agriculture presently taking place in Saskatoon. The answer is no. I might just comment that the federation invited me to speak to their annual convention yesterday, but as it happened I had a long-standing commitment made several months ago to speak to the Ontario soil crop improvement association, which commitment I did fulfil yesterday.

FINANCE

REQUEST FOR STATEMENT ON METHOD OF RAISING FUNDS

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Finance. Would the Minister of Finance make an early announcement concerning the method of raising further money, alleviating if possible the present uncertainty over the government's early requirements in this respect which has resulted in further recent weakening of Canadian bond prices, and thereby making money more difficult to obtain for municipalities and all other long-term borrowers.

Mr. Speaker: Order. The hon. member has completed his question. I do not want him to go on and make a speech on it.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the answer is certainly no. The practice in this matter is that announcements in reference to financing operations by the government are made only when offerings are made to the public. I can imagine that a good many people following the market would be very glad to obtain advance information of the kind sought in this question. We take steps to see that advance information does not go out in these matters, thereby safeguarding the interest of the public in keeping with the responsibility of the Department of Finance under any government.

REQUEST FOR COMMENT ON STATEMENT BY PRESIDENT OF ROYAL BANK

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Finance if he feels disposed this morning to comment on the statement

made yesterday by the president of the Royal Bank of Canada that Canadian prices, inflated to a point of explosive danger, are forcing the country out of world markets?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, if my friend is inviting comment on as large a question as that I am afraid it is not going to be brief enough to be encompassed within the scope of answers normally given in reply to questions on the orders of the day. This is a very large subject. While the government has consistently taken a serious view of inflationary pressures in the economy, I wish to make it very clear that in the opinion of the government there is nothing in the present situation that gives justification to anyone for saying that there is a crisis.

Mr. Martin (Essex East): May I ask the Minister of Finance whether, in view of the fact that he feels that this is a question requiring detailed comment, he does not think he owes it to the country at the earliest moment, and possibly today before the end of the present debate, to give an accounting as Minister of Finance on this and other allied questions of equal importance?

Mr. Fleming (Eglinton): Mr. Speaker, you will understand why I feel so deeply touched and flattered by the open invitation extended to me by my dear and hon. friend that I should make a speech in the house today or any other day. Of course, Mr. Speaker, whatever doubts I may have had with regard to speaking will be further confused by the question of my hon. friend. Certainly under any circumstances a request of this kind from him would have to be given the most searching consideration. It has such inventive possibilities in it.

Mr. Martin (Essex East): The house is very dissatisfied that the Minister of Finance is not taking advantage of this opportunity.

DOMINION-PROVINCIAL RELATIONS

BRITISH COLUMBIA—INQUIRY AS TO MEETINGS WITH PREMIER

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Prime Minister. Would the Prime Minister care to comment upon the results of his discussions this morning with the premier of British Columbia?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as usual when I meet with the premiers of the various provinces discussions are interesting and informative.

[Mr. Martin (Essex East).]

Mr. Howard: A supplementary question, Mr. Speaker. Can the Prime Minister indicate whether any other meetings with the same gentleman are scheduled for the next day or two?

Mr. Diefenbaker: Mr. Speaker, I do not really know what the interest of the hon. gentleman would be. Naturally if the opportunity comes for further meetings with the premier of British Columbia, those meetings will take place.

Mr. Howard: It just happens that I live there.

COAL

STATEMENT ON RECOMMENDATIONS TO PREVENT LAY-OFFS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): May I ask the Minister of Mines and Technical Surveys whether he is now prepared to answer the second question which I asked him on Wednesday, January 28.

(Translation):

Hon. Paul Comtois (Minister of Mines and Technical Surveys): In reply to the last part of the question asked by the hon. member for Gloucester (Mr. Robichaud), I should say that around November 19, 1958, the dominion coal board received representations from Dosco and from the miners' union. That meeting dealt solely with the coal marketing situation in Nova Scotia. It was only later that the dominion coal board met several times, between December 8 and December 11, with the parties concerned, to go into this matter. There was no question at the time of cuts in either the payroll or the production. It was only on December 19 that we had a meeting, as I have already said, with Dosco representatives and Premier Stanfield. At that time, the matter of increased assistance to coal producers was discussed and we were told, as we had been in any case in a letter dated December 17—which was produced on the 19th at that meeting—that even if the government decided to boost subsidies there would probably be a cut in personnel for 40 days, that is to say there would be 40 days' unemployment in the next few months. No decision has yet been taken about the proposals submitted in connection with coal production or its shipping, and even if a decision had been taken, it would concern only the opening of the forthcoming season of navigation.

(Text):

IMMIGRATION

MR. AND MRS. RAOUL ARTHUR ROLLING—STAYING OF DEPORTATION ORDER

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Prime Minister. Is the Prime Minister now in a position after inquiries, to say whether he has determined if the governor in council has received a petition asking for the stay of a deportation order affecting Mr. and Mrs. Raoul Rolling?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am sorry that I am not able to give the hon. gentleman an answer. The Minister of Citizenship and Immigration is absent from the house through temporary illness. I was unable to secure the information yesterday, and I hope the hon. member will allow the matter to stand.

HEALTH INSURANCE

NORTHWEST TERRITORIES AND YUKON—POSSIBILITY OF PARTICIPATION

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): I should like to direct a question to the Minister of National Health and Welfare. Can the minister tell me if his department has concluded its studies of a plan to include the Northwest Territories and the Yukon in the national hospital scheme? If so, will the plan be presented to the Northwest Territories council which is now meeting in Ottawa?

Hon. J. W. Monteith (Minister of National Health and Welfare): These studies have not been completed yet. They are still going on.

Mr. Hardie: After two years?

NATIONAL DEFENCE

INQUIRY AS TO TABLING OF WHITE PAPER ON POLICY

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I should like to direct a question to the Minister of National Defence. Will the minister advise the house whether or not it is his intention to have prepared and tabled in the house a white paper on defence policy for the use of members?

Hon. G. R. Pearkes (Minister of National Defence): As stated last year, it is the intention of the department to prepare a white paper which will be distributed to members.

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

BOARD OF DIRECTORS—INQUIRY AS TO RADIO INTERESTS

On the orders of the day:

Mr. Alexis Caron (Hull): May I direct a question to the Minister of National Revenue. Can the minister tell the house if any member of the executive committee of the board of directors of the Canadian Broadcasting Corporation is at present engaged in the business of broadcasting or has any pecuniary or proprietary interest as owner, shareholder, director, officer, partner or otherwise in a broadcasting station, or is engaged in the manufacture or distribution of radio apparatus?

Mr. Speaker: I think that question might well be placed on the order paper, unless the minister is prepared to answer it today.

Mr. Pearson: On a point of order, this question is one of immediate importance and has a direct bearing on certain developments in connection with the strike in Montreal. All the hon. member is asking for is information on the point, and I think it is of some importance.

Mr. Diefenbaker: On the point of order, it is this type of question that should not be asked on the orders of the day. It can be asked by simply placing it on the order paper.

Mr. Caron: On the point of order, Mr. Speaker, may I say this. The question may appear to be long but the answer could be short. It is either yes or no. If the minister does not know he can take the question as notice and tell us tomorrow.

Hon. George C. Nowlan (Minister of National Revenue): It is neither yes nor no, Mr. Speaker. The minister does not know. I do not anticipate conducting an inquiry that would delve into the business activities of the various persons concerned. At least I have no information with which to answer that question.

Mr. Speaker: The question has been dealt with now. Of course all questions can be replied to immediately, but without necessarily being answered. However, this is the sort of question which would involve some sort of inquiry. I think it is one which should more properly go on the order paper so there is an opportunity to get the information that is asked for.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, January 29, consideration of the motion of Mr. W. H. Jorgenson for an address to His Excellency The Governor General in reply to his speech at the opening of the session.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, last evening, I congratulated the mover (Mr. Jorgenson) of the present motion. I wish now to take the opportunity of congratulating the seconder (Mr. Fortin). I should also like to extend my congratulations to all four of the new members who have taken their seats in the house.

We have all heard in this debate a great deal from the opposition about the terrible economic conditions existing everywhere in Canada. We have heard that nothing but black chaos and misery exist and that there does not seem to be much hope for the future. All of this has come as somewhat of a surprise to me, because during the last few months I have visited all parts of my riding; I have been in daily contact with my constituents, and I did not see any such conditions as those which have been painted by the opposition. From what I was able to hear from other government members about these black conditions painted by the Liberals and the C.C.F. members, I cannot help but wonder whether perhaps those conditions exist only in Liberal and C.C.F. ridings.

I wish now, Mr. Speaker, to speak in a more serious vein. We all know that in many parts of Canada unsatisfactory economic conditions in fact exist, and they exist for a multiplicity of reasons. However, the economic policies of the present government have been and are continuing to be successful in remedying the recession conditions which were created partially by the policies of the former administration and partially by general world-wide economic conditions. Everyone knows that the recession we have experienced during the last two years has occurred everywhere in the world including the Soviet union.

In my own city of Woodstock, which includes an area for national employment service purposes in which there are about 45,000 persons, as of this morning those who were seeking work numbered 849, or about 5.3 per cent of the labour force of about 16,000. One year ago on this date those seeking work numbered 1,248. It is the opinion of the local national employment office that even under the most favourable economic conditions the number of those seeking work in such an area as Woodstock would never fall much below 450.

[Mr. Speaker.]

This great decrease in the number of those seeking work as compared with the number in the previous year commenced last July 18, and a steady rate of improvement has continued from last July 18 until the present day. What is particularly interesting, Mr. Speaker, about these employment figures is that Woodstock has a widely diversified group of manufacturing industries, the largest single employer being the textile industry.

Generally speaking I found those in my constituency who are engaged in farming to be not only satisfied but pleased with the present government's agricultural policy. Certain individual problems exist such as those in connection with those who are unable to obtain the increased compensation under the brucellosis control program, those who have lost animals because of rabies and those who raise broilers and turkeys, the latter having been faced lately with falling prices and rising feed costs. These particularized matters I should like to deal with on another occasion.

As I have already mentioned, during the last few months I have had the opportunity of visiting various parts of my riding and many of my constituents, and I have had a great many constructive suggestions made to me. Again, Mr. Speaker, I will deal with these suggestions on future occasions, but there are three that I should like to mention briefly at this time for consideration by the appropriate cabinet ministers.

First, it has been suggested by a number of persons that a special decoration be awarded to those veterans who took part in the Dieppe raid. This operation has such a special place in the hearts of Canadians that I do not feel I need say more on this subject.

Another suggestion is that anyone having an income of less than $4,000 whose wife or husband is totally disabled should be allowed an exemption of up to $4,000 for income tax purposes. This provision would cost the treasury little money, as there are few such cases in Canada, and it would bring great financial relief to those people who really require it.

For the benefit of the Minister of National Revenue I should like to say that I have found widespread interest and pleasure in connection with the television program called "Press Conference" on which approximately four members of the press gallery belabour a minister of the crown with questions for about half an hour. The impression created is, of course, that the gentlemen of the press concerned have obviously been lying awake nights for weeks in advance thinking up the most disagreeable questions imaginable with

which to confront the hapless member of the treasury benches. While this Roman carnival in miniature is much enjoyed by the public, a number of persons have suggested that a similar program be produced occasionally and that it might appropriately be called "The Hunter Hunted". Such a program might feature an eminent member of the press gallery such as Mr. Blair Fraser who for a similar period of time would undergo a cross-examination by well prepared questions on his views concerning Canadian affairs. Such examination would, of course, be made by four members of the treasury benches. Of course, Mr. Speaker, I doubt if this suggestion will be taken up by the C.B.C. If it were, I think the results would be extremly interesting indeed.

As I have already mentioned, Mr. Speaker, opposition members who have spoken in this debate have done nothing but offer destructive criticism of the government's policies, and in particular the government's economic policies. Having served for four years in the opposition I am quite familiar with the duties of a member of the official opposition. It was always my view, and my opinion has not changed, that the duty of the official opposition is to point out the weaknesses, if any, in the government's policies and to offer constructive suggestions as to how government policies may be improved. Pure destructive criticism, which is all we have heard to date, with no suggestions for improvement, has in my opinion no place either inside this house or outside it.

The excuse has been offered by the opposition that it is not their duty to offer any constructive suggestions, but that it is their duty only to point out alleged weaknesses in government policy. If this is the view point of the present members of the opposition may I say this. They are, of course, entitled to hold it, but I think such a viewpoint is illogical nonsense. I cannot help but think, Mr. Speaker, that the real reason the opposition have not offered any constructive suggestions is that they have none to offer, and that this weak excuse is made only to conceal a bankruptcy of thoughts and ideas.

During this debate the Liberals have criticized the government for not spending enough on public works and winter employment programs, and at the same time have said that the present spending by the government is too great, thus creating inflation. The Liberals do not seem to know whether they are coming or going; they seem to want to go both ways at the same time.

While the official opposition may be bankrupt of ideas respecting conditions in the world, distinguished economists and representatives of other governments in the world have made many suggestions. Last summer I had the honour of acting as chairman of the Canadian delegation to the economic and social council of the United Nations, and the world economic situation was discussed at great length. The delegates from the 18 countries represented offered many suggestions as to how this world-wide problem could be dealt with on both a national and international basis. It was quite clear from hearing the report of the secretary-general on the world economic situation that not only was the present recession world-wide but that nearly every country, including the United States, was much more severely affected than Canada. Indeed, some countries such as Chile and Brazil have been so seriously affected that the leader of the Chilean delegation suggested that unless something were done to relieve the situation the Chilean government would not be able to afford to send representatives to the next meeting.

It is interesting also to note in this connection that in the secretary-general's report it was made clear that the Soviet union, like other countries in the world, was having a severe case of economic indigestion. I have always been told by my socialist friends that such a thing cannot happen in a planned economy. Despite the theories of the socialist planners, these things apparently do happen. I trust that the members of the C.C.F. group in this house will take note of this fact.

I should like now, Mr. Speaker, to bring to your attention some of the suggestions that were made at the economic and social council meeting last summer, and which were made by some of the world's leading economic experts, on how a government should attempt to deal with the internal economic problems created by the present world-wide recession. You realize of course, Mr. Speaker, that it would take many hours to go into these suggestions in detail, so I am going to mention just a few of the most important.

First of all Mr. Luns, the distinguished foreign minister of The Netherlands, urged governments to encourage co-operation among all various social groups in the country, particularly labour and management, with a view to keeping down cost inflation, that is a continuous round of price and wage increases. Our Prime Minister has repeatedly urged all groups in this country to do just this. Mr. Luns also pointed out that it is the task of governments to take the lead and expand internal demand by appropriate financial and fiscal policies. He

referred to government spending and expansion of credit to strengthen consumer spending. Again, Mr. Speaker, this government has done just that.

Mr. Phillips, the distinguished representative of the United States, pointed out what was being done in his country, and I quote:

> The availability of credit has been eased and its cost to borrowers reduced. A series of actions has been taken to stimulate the construction of residential housing and to step up activity in such fields as urban rehabilitation. Measures have been taken to accelerate public construction in many categories, including water resources projects, hospitals and highways. Congress has been asked to authorize a speed-up in the purchase of equipment and supplies used in the normal functioning of government. Provision has been made for payment of unemployment compensation for periods longer than those currently provided for under the laws of various states.

Again, Mr. Speaker, this government has done just that, only to a greater extent. In this regard I should like to point out that Canada has felt the effects of this world recession less severely than the United States. Dr. Wahlbeck, the distinguished representative of Finland, pointed out as follows:

> Expenditure on unemployment has heavily taxed our budget, too. According to the law on employment of 1956, "if unemployment exists or is imminent for seasonal or structural reasons, or because of business fluctuations or other factors . . . the state and communal authorities must take necessary steps to ensure employment." If it proves impossible to ensure employment "special relief work for the prevention of unemployment shall be provided."
>
> During the last two years it has been necessary to arrange relief work for a considerable number of unemployed.

Again, Mr. Speaker, that is the type of thing that has been done by this government. Lastly, Mr. Speaker, I should like to point out certain things in the report of Mr. Dag Hammarskjöld, secretary general of the United Nations:

> Experience during this recession has demonstrated once again the effectiveness of the built-in economic stabilizers in moderating the rate of decline of economic activity. The buoyancy of government demand for goods and services, the more rapid decline in government revenue than in national output that is a by-product of a progressive tax system, the bolstering of private income by unemployment compensation and by farm support programs—all these protective features of highly developed economies have acted powerfully to brake the rate of decline in national income and expenditure . . . Up to the present the major emphasis has been placed upon monetary policy; thus monetary restrictions have been considerably relaxed and some encouragement has been given to housing. Fiscal action, on the other hand, has thus far been more limited, although some government expenditure has been significantly accelerated.

You will observe, Mr. Speaker, that the secretary general has pointed out that while it is most desirable to give aid to housing projects and government spending on public works, very few countries have done anything significant in this respect. The record of this government, particularly in the field of housing and public works, need take second place to no other country in the world.

I should like, Mr. Speaker, for the remainder of the time available to me to turn briefly to a subject which I know is becoming of increasing importance to every member in this house. I refer to the problem of the older worker and the difficulty he or she has in obtaining employment if out of a job. In many cases he or she is not permitted to work after attaining the age of 65. I would doubt if there is a single member in this house who has not had many personal requests for assistance in this regard. I for one have had far more requests with respect to this problem than any other matter. I am sure many other members would agree.

It is quite impossible, Mr. Speaker, to even begin to properly present this problem to this house in the time at my disposal. A proper presentation of the subject would indeed take many hours, so today I shall only attempt to bring to the attention of this house the fact that the problem exists, outline in broad terms the nature of the problem, and make one or two suggestions for dealing with it. I hope the appropriate ministers concerned will take these suggestions, which are personal, into consideration.

The fact that the Canadian population is growing older, coupled with trends which result in the reduction or withdrawal from employment of important proportions of our older workers, constitutes a very grave national problem that requires the closest scrutiny, not only from all levels of government but from labour, industry and private individuals as well. In 1881 the number of Canadians over 40 comprised about 20 per cent of the population. By 1951 they had increased to about 33 per cent. When we consider this trend in relation to the fact that one of the chief difficulties facing the national employment service in matching unplaced applicants with unfilled jobs is the tendency on the part of employers to reject applicants over 40 years of age, one major aspect of this increasingly grave problem is illustrated.

Again, if I may refer briefly to the population figures in 1881, we see that there were 15 adults under 65 years of age to every 1 over 65, whereas today there are only 7 adults under 65 to every 1 over 65. By 1970 it is estimated the proportion will be over 5 to 1. When we consider the effect of the trend toward more pension plans with the compulsory retirement age now normally set at 65, another major aspect of this problem is seen.

We are thus confronted with the problem of whether or not it is economically possible to maintain a high standard of living here in Canada in the face of trends which show an increasing number of older people retired or withdrawn from the productive section of our economy. At the same time the effect of this trend is to reduce their ability to consume goods, and to place the burden of production and taxation upon a decreasing percentage of the population. This trend is not likely to change. I am not including in these remarks those older workers who through ill health or personal desire wish to withdraw from the labour force. I am dealing solely with those older workers who wish to work and who either cannot obtain employment or are forced to retire.

Apart from the economic factors involved in this matter, severe social problems are also created. When older persons cannot obtain employment or are forced to retire, many feel that society has no further use for them and they become depressed and dejected. Older persons in this group who have not developed hobbies and other interests during their lives are often left completely alone; their families grow up and their friends either move away or pass away. If such people could work their time would be occupied and they would feel they were doing something useful. Without the work which they desire there is often very little left but the feeling that they are a burden on society.

What is more, the present old age security payments do not begin until the age of 70 except in cases of severe need, and under most compulsory retirement plans in industry persons are compelled to retire at the age of 65. This type of regulation also applies in the civil service. As a result, many persons between the ages of 65 and 70 have great difficulty in making ends meet until they reach the age of 70.

What are the reasons which prevent older workers from obtaining employment? Since age as a barrier to employment varies widely from occupation to occupation and from individual to individual it is difficult to make a summary of the obstacles usually presented, but the following seem to be the most common specific obstacles as recorded during a recent survey in the United States:

1. Cannot maintain normal production standards—slow reaction; reaction too slow for production; too slow on jobs involving speed. This accounts for 22.4 per cent of the reasons given against hiring older workers.

2. Cannot meet company physical requirements—diminished strength, stamina, endurance, health and so on. Percentage of reasons given, 20.9.

3. Are inflexible—set in their ways, resist change or criticism, lack versatility or acceptance of new ideas. 13.2 per cent.

4. Pension and insurance costs. It is felt by a number of firms that pension or group insurance rates would increase. 10.1 per cent.

5. Are too close to compulsory retirement age. They would not be eligible for pensions. 7.1 per cent.

6. Prefer younger workers. Some employers just prefer younger people and do not wish to mix age groups. 5.2 per cent.

7. Older people more difficult to train. 3.2 per cent.

8. Are excessively absent from work. 3.1 per cent.

9. Do not fit in with company's policy of promotion from within—the company's own workers cannot be moved up to better positions within the seniority policy. 2.7 per cent.

There are many other reasons given involving less than 2.5 per cent of all the reasons advanced for not employing older workers, and I will not take the time of the house in detailing them now; but I think it is interesting to note that pension and insurance costs accounted for only 10.1 per cent of the reasons given. This I think is most interesting, because in casual conversation this is normally the reason which the layman assumes prevents the hiring of older workers.

On careful examination not one of these reasons is found to be completely valid. For instance, the United States public health service points out that no differences in efficiency in the performance of "moderate" work were observed between the ages of 17 and 71. This finding is of great importance, since most work of an industrial nature falls within the classification of "moderate". Again, it might be noted that the public frequently prefer older people, particularly in sales or service jobs, because they are often more polite and have a greater understanding of what the sale or service involves. In addition it has been shown that older workers can learn new techniques just as fast and often more efficiently than younger workers.

Unfortunately there is not sufficient time available for me to deal with each of the objections in detail, though I hope to do so on another occasion. I repeat that there is not one of these alleged obstacles to the hiring of older workers which is not invalid to a considerable degree and in some cases, as I have already pointed out, completely invalid.

What should be done about this problem? I realize that the national employment service has a special counselling service to help older workers obtain employment. This is a step in the right direction, and I understand it has

been very helpful indeed. In addition, I believe the public is becoming increasingly aware of this problem, and the pressure of public opinion is no doubt helping older persons to find employment. I understand also that the national employment service has done a great deal to encourage industry to hire older workers. However, I do not believe these measures even begin to answer the problem. Sentiment is not enough, and some more practical inducement must be undertaken.

In some states in the United States laws have been passed making it an offence for an employer to ask the age of a prospective employee, but frankly I think this sort of remedy is plain silly. Anyone can easily estimate an employee's approximate age, and all sorts of other excuses can be invented for not giving employment.

It is my feeling that the civil service commission should carefully reconsider whether or not 65 should be the compulsory age of retirement. We are all aware that each individual ages at a different rate, and that many persons at 65 are just as keen and active as they were at 40. Oh, I know the reason given is that if people are not retired at 65 this creates discontent as it prevents or delays expected promotions. However, this argument becomes invalid if the compulsory retirement age is raised to some other figure and applied to everyone concerned. The fact that in certain particular cases a civil servant is permitted to continue working past the age of 65, usually, it is true, in a position of less authority and for less money, is of course a help, though hardly an answer to the problem.

Since the great majority of persons who have difficulty in obtaining employment because of age are industrial workers of one kind or another, I think a good partial answer to the problem would lie in extending a premium to firms and businesses through the corporation tax act in the form of a tax credit where a stated percentage of persons age 65 and over are retained, engaged or rehired for work. It has been suggested that such a tax credit might be made available to any corporation employing persons aged 65 and over in excess of 4 per cent of its normal monthly pay roll. This operation would mean that the taxpayer would deduct a specific amount from the tax assessed, or he would get "credit" for this particular amount. Such a system of tax credits operating on a sliding scale would, I believe, act as an inducement to industry to employ older workers and would also make up for any alleged losses in pension plan payments due to the hiring of older workers. Government revenues could not possibly decline when reviewed in the light of an increase in the gross national product, increased purchasing power and increased revenues by way of sales and income taxes.

Mr. Speaker, there may be aspects of this problem which I have not taken into consideration, but I respectfully submit this suggestion to the Minister of Finance and the Minister of Labour in particular, and I do hope they will have this proposal examined. As I have pointed out, this is a problem which has many aspects—economic, sociological, psychological and so on—and I do not think for one minute that any one remedy, or even five or six of them, would supply all the answers to these questions concerning the older workers. For this reason I respectfully suggest that consideration might be given at some time in the future to setting up a special committee of the Senate and of this house to examine all facets of this problem and recommend appropriate measures for dealing with it.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, it has been a tradition of this house for anyone taking part in this debate to congratulate the mover and seconder of the address in reply to the speech from the throne. To me that is a very happy practice and tradition, because among other things it helps to illustrate more clearly than anything we could say the right of a new private member who has not yet had an opportunity of establishing his ability in the House of Commons to take his full part and express himself in this major debate, criticizing or approving government policy as he sees fit and explaining his attitude with respect to national affairs and local matters which may be of particular interest to him.

For this among other reasons I am very happy at this time to congratulate the mover (Mr. Jorgenson) and the seconder (Mr. Fortin) of the address in reply to the speech from the throne, as I have done in respect of others in past sessions. The parliamentary system we have works in many unusual and strange ways, but I regard this gesture which so clearly establishes the equality of a private member with all other hon. members in the house as a fine working piece of machinery in our parliamentary system.

The speeches made by private members in this debate are extremely interesting because they reflect different views on matters of national concern, and also provide an opportunity for private members to raise matters that may be primarily of local concern while at the same time of some interest to all the country. I believe the right of hon. members to raise matters of local concern and to express grievances on matters of national or local interest is an important right and a practice that we should cherish. And so,

while I differ in my viewpoint from the substance of the arguments and speeches presented by many hon. members, I value their right to make their speeches and I appreciate the practice very much. However, with respect to the participation of members of the government in this present throne speech debate I take a somewhat different view.

Mr. Churchill: You started off nicely, anyway. Now we are all set.

Mr. McIlraith: It seems to me that the ministers in participating in this debate have done less than a service to our parliamentary system, and I suggest they cannot be very proud of their record. They have not developed the policies which as a government they are putting forward, and for which they are responsible, in the manner parliament had a right to expect. Instead they launched into personal attacks concerning individual members of the opposition. While I am going to have a good deal to say later on concerning government policy, I want at this stage to point out as an illustration the rather interesting line taken by the Minister of Public Works (Mr. Green) last evening. I found it interesting that he should have referred to another person in this House of Commons occupying a very high position as a tabby cat—

Mr. Walker: Well, aren't you?

Mr. McIlraith: We have just had an interjection which serves to illustrate the sort of thing to which I am referring, but I shall let it pass. I am going to invite hon. members who are interested to refer to the remarks made last evening by the Minister of Public Works as they appear in *Hansard* at page 510. I hope the Minister of Trade and Commerce (Mr. Churchill) will give this matter some thought, and if he will look at his own speech he will observe the personal remarks he made about persons in the official opposition. He did not address himself to the policies they advocated, nor did he attempt to destroy the arguments they advanced. He spoke about them instead as persons, and I invite him to re-examine his remarks as they appear at page 160 of *Hansard*. He will notice that when he talked about the persons comprising the opposition he accused them of lacking Canadianism. He did not accuse them of policies that were wrong because the policies did not properly express Canadian ideals, or anything like that. Then he went on to accuse members of the opposition, in a personal way, of being small-minded. I cite these points as illustrations of the type of conduct of which the minister has been guilty.

For my part I have no resentment about any personal remarks anyone in the house wishes to make, and if the ministers wish to make personal comments it is a matter of indifference to me; but the tradition of this house is that members of the government should deal with the policies for which they are responsible. Under our system the ministry must assume the responsibility for the government of the country and must be answerable when they are questioned on the subject.

Mr. Churchill: Mr. Speaker, would the hon. member permit a question?

Mr. McIlraith: Yes.

Mr. Churchill: Does the hon. member recall the occasions in the past when I was a member of the opposition ranks sitting in the back benches and personal attacks were made on me by cabinet ministers on this side of the house, to which the hon. member made no objection in his day? Let me point out to the hon. gentleman that I am the only person in this house who was called a louse by a member of the cabinet when the Liberals were in office.

Mr. Pearson: Does that make it right?

Mr. Churchill: Does the Leader of the Opposition condone that kind of accusation?

Mr. McIlraith: All I can say to that, if it transpired, is that two wrongs do not make a right. Before leaving this subject I wish to further illustrate the tactics of the ministry in their speeches in this debate, and I will proceed with the illustration offered by the remarks made last evening by the Minister of Public Works.

Last evening the hon. member for Nipissing (Mr. Garland) was speaking about a problem of real concern in this country, the difficulty the plywood industry is in because of the competition of wood from the Philippines area manufactured in Japan and shipped to Canada. The hon. gentleman was dealing ably with the subject. He represents a constituency in which the woods industry is highly important, as indeed it is in a great many constituencies across this country. What he got from the ministry was a question from the Minister of Public Works which the minister repeated several times: "What is your policy?" The hon. member for Nipissing finally answered that question by inviting the minister to look at the Japanese trade treaty provisions on the subject.

When the hon. member for Nipissing resumed his seat he was immediately followed in the debate by the Minister of Public Works, and when the identical question was put to him the minister did not answer it at all. He did not say that the government had not yet evolved a policy, which I assume it has

not, nor did he say it was receiving consideration. Instead, he brushed it aside. The difference in this respect is that it is the responsibility of the ministry to develop policy and announce it in the house. I believe that is another good illustration of the point I am seeking to make.

Before dealing with the general economic situation of the country there are two matters to which I would like to address myself. One has to do with the appointments to the national capital commission and the omission of any representation on that body from the corporations of the cities of Ottawa and Hull. It will be recalled that the new national capital commission legislation does not require that the mayors of those two cities be on the commission, nor does it provide for them to make appointments. The old legislation did have a statutory provision for the corporations to have representatives on the old federal district commission.

My point is that in the development of the national capital plan a great deal has been done in the last few years, since the end of the last war. It has been necessary to develop co-operation among the three levels of government, namely the federal, provincial and municipal governments, and by the very nature of things that is not always the easiest thing to do. It will be understood that exclusive jurisdiction over real estate rests in the provinces, and through them the regulation of certain matters is given to the municipal corporations. Therefore it is necessary, by the nature of the development of the national capital plan, that the municipalities be full participants in any development that takes place here.

Mr. Bell (Carleton): Does my hon. friend's argument in this respect apply as well to the other municipalities within the national capital area?

Mr. McIlraith: Let me develop my argument and the hon. member will see my point. If there is any question outstanding at the end of my remarks I shall be glad to answer it if I can, and if I cannot I will say so. The point is, these are the two largest municipalities directly concerned in the development of the area. We have had difficulties, and I am frank to admit there have been many of them. Over the years a good degree of co-operation has been built up. Under provincial legislation in Ontario we have what is called the Ottawa area planning board, which has to do with the physical planning and approval of subdivision plans and all that sort of thing. The members of that board are appointed by the corporation of the city and approved by the provincial authorities. By its very nature that board has to work in conjunction with the national capital commission, and work very closely in conjunction with it. The city has always taken care, and properly so, to have either the chairman and general manager or other appropriate officers of the federal district commission on the Ottawa area planning board.

But what happened here with the appointment of the national capital commission? The Prime Minister did not come into the house and announce the appointment of this commission; he let it out through a newspaper that those were the names. When they were given out it was noticeable that there was no representative of either corporation on the commission. The mayors, who had been sitting on the commission, were not reappointed. Well, that is his privilege if he wishes to use it; but that is not the only thing.

Here is what I want to draw particularly to the attention of the hon. member for Carleton; I think he will understand this. When those two men having the major interest were left off, an alderman, an elected representative of one of the small communities in the area, was put on. The reeves of the two larger townships concerned in the area—I refer to the green belt townships —were left off, as were other representatives of their elected bodies.

Mr. Bell (Carleton): And other reeves have been put on.

Mr. McIlraith: Let me continue my argument; the hon. member may ask his question in a moment. No explanation was made in the house. We were just confronted with newspaper items which indicated that those two gentlemen were not on the commission. No explanation was given as to why they were left off or why no one was appointed to represent those corporations or the other major corporations concerned with the problems.

I point out that this is not the way to get co-operation from those municipal bodies, including the townships which the hon. member for Carleton seems so concerned about. It is not the way to get co-operation. I am going to content myself with not giving further criticism on the point at this time. I hope I do not ever have to go further with it, because this great national capital development is something that must not be given second grade treatment or handling by the government.

I am going to leave the matter there with an invitation that the Prime Minister consider my remarks in the light of the way in which they are intended and in the hope that in the future he will seek to bear in mind, if

he has occasion to deal with other appointments or other matters, the tradition of the great men who have served on that commission in the past. I can think of the great work done in the earlier days by men like hon. Thomas Ahearn and in more recent times by Mr. Fred Bronson and the late Dr. Valin and Colonel Fraser and Mr. A. J. Major, and more recently Mr. Lawrence Freiman. I suggest that he might consider this matter, and I would hope that he will be able to handle it a little more carefully in the future and if he sees fit not to appoint the two reeves or representatives of the township corporations or the mayors of the two cities, while at the same time he appoints an alderman from a smaller municipality and the mayor of one of the towns in the province of Quebec quite a distance from here and the mayor of another city in the country, at least make the announcement in a more careful way than this one was handled.

Mr. Bell (Carleton): Will the hon. gentleman permit a question?

Mr. McIlraith: Yes, if I can have it taken off my time.

Mr. Bell (Carleton): Is it not true that the situation of which the hon. gentleman complains is exactly that which was contemplated in the legislation as originally drafted by Mr. St. Laurent?

Mr. McIlraith: No, not at all.

Mr. Bell (Carleton): Of course it is.

Mr. McIlraith: The answer to that is a categorical no. What was contemplated then was that the mandatory provision that the outside corporate bodies should designate an official would be taken away, and that the federal authority which provides the money would choose the personnel.

Mr. Bell (Carleton): Why was it taken away?

Mr. McIlraith: That is a very important right, and quite different from the point raised by the hon. member for Carleton.

There is one other matter I want to raise. Last year a great many members and a great many people outside this house were shocked to discover that the loudspeaker system in this house had been tapped and taken outside this chamber.

Mr. Walker: That is old stuff.

Mr. McIlraith: That was regarded—

Mr. Lambert: Nonsense.

Mr. McIlraith: —as a breach of some significance, I think, by most members of the House of Commons. Before hon. members interject too prematurely I would ask them to restrain themselves. On January 27, as appears at page 362 of *Hansard*, the hon. member for Shefford (Mr. Boivin) inquired as to whether the simultaneous translation system was taken out of the House of Commons in the same way and Mr. Speaker replied:

> That is not a question for the Prime Minister but for the House of Commons.

The Prime Minister replied:

> I can simply say very definitely no. I tried that last year as an experiment. I found out, however, that there were always certain voices on the machine.

I have always regarded that right to take the proceedings of this house outside without the permission of the house a wrong act. No doubt the house would have given permission.

Mr. Brooks: You were the only one interested.

Mr. McIlraith: Just listen to my argument.

Mr. Brooks: We have heard nothing.

Mr. McIlraith: I am not the only one. You did not hear the people of the country.

Mr. Hamilton (Notre Dame de Grace): Take this speech outside; it will not do you any good here.

Mr. McIlraith: The point I want to make is that this answer is not clear as to whether or not the wiring has been disconnected. I believe it has. I believe the newspaper accounts so interpreted the answer, although the answer itself does not say so. What I want to say is that I hope the Prime Minister will take an opportunity to clarify definitely whether or not it has been disconnected. If it has, I want to say that I wholeheartedly approve of his conduct in having it taken out unless he intended to submit it to the house for consideration. I think the house would have given approval.

Mr. Brooks: That should relieve his mind a whole lot.

Mr. McIlraith: I cannot follow the muttered interjection of the minister.

Mr. Brooks: I say it should relieve his mind a lot that you approve.

Mr. McIlraith: This is a very important matter affecting the rights of the House of Commons. At this time in world history when our system of parliamentary democracy is being attacked, as members of the government should very well know, by another system through a trade offensive and otherwise, it is very important that we protect the rights of this institution. I do not think the interjections of the Postmaster General

(Mr. Hamilton) and the Minister of Veterans Affairs (Mr. Brooks) show any appreciation of the real problem confronting democracy today.

I want to deal for a moment with Canadian economic conditions. Because of an interjection made last night by a government supporter, who obviously has no appreciation of what the situation is, I think I should place the unemployment figures on record, although I wish to deal mainly with other aspects contributing to unemployment in the remainder of the time allocated to me. Starting with 1953 and taking the date December 12 or the closest applicable date, the number of persons without jobs and seeking work was as follows:

1953	192,000
1954	248,000
1955	200,000
1956	186,000
1957	386,000
1958	440,000

The only point I want to make from those figures is to indicate that here is a problem that surely must concern all hon. members of the house and surely is a proper subject for discussion by members of the house. I must say that the attempts of the government to dismiss it are not worthy of the government. This problem is confronting the government, and while it is a problem that is not exclusively within their control because, of course, there are external factors that contribute very heavily to it, there are also government actions that can and should be taken and some government actions that have been taken which have contributed to the problem.

Mr. Walker: What would you suggest?

Mr. McIlraith: If the hon. member will listen for ten minutes he will find out.

Mr. Walker: May I ask my friend by what right does he stand on Mount Olympus and lecture the house like a schoolmaster? We have not had a constructive suggestion yet.

Mr. Pearson: How dare he lecture you.

Mr. McIlraith: I know that with its vast majority the government and its supporters seem to have lost their sense of proportion altogether. They do not want the policies of the government discussed. For the past ten days I have watched the government seek by every device possible to prevent a discussion of their policies. I am not seeking to lecture the house, but I am seeking to exercise the right which is undoubtedly mine to raise questions that may trouble me about the economy of the country and the actions of the government.

Mr. Walker: Let us have it.

Mr. McIlraith: The hon. member for Rosedale (Mr. Walker) has the right to differ with any views I put forward, but he has no right to question whether or not an hon. member can speak in the house on a subject so important as unemployment.

Mr. Walker: There is no question about that.

Mr. McIlraith: I want to put some statistical figures on the record having to do with inflation and the rapidly mounting debt of the country, or in other words dealing with what one might call the reckless deficit procedure of the present government. I do not know whether the hon. member for Rosedale thinks I should ask his permission to put these on record.

Mr. Walker: Permission granted.

Mr. McIlraith: I will put them on the record in any event. Incidentally, the figures I am using are taken from the Bank of Canada statistical summary either for December, 1957 or December, 1958. For 1957 they will be found at page 393 and following and for 1958 at page 442 and following. On the matter of the deficit the Minister of Finance has made so many statements about there being no deficit and so on that one can argue about what the true deficit figure is, whether it is X dollars or something else. I am not suggesting that the figures I am going to put on record indicate the precise deficit, but they do indicate that there is a very large deficit, of a magnitude with which I think the hon. member for Greenwood (Mr. Macdonnell) would agree.

Mr. Macdonnell: Is the hon. member going to use the figure which has been positively given by the Minister of Finance, or is he going to put forward some other figure?

Mr. McIlraith: I am coming right to that very point. It would be helpful if the ministers would be a little more patient and defer their questions until later. The figure of government of Canada direct funded debt outstanding, including guaranteed funded debt, as at June, 1957, when the present government first took office, was $14,902 million. As at December, 1958 it was $16,411 million. Therefore the increase was something more than $1,500 million. The increase in the deficit over that period of time is something less than that figure, but I think it serves to illustrate my point that it is very large.

I want to say something about the method of financing, and deal with total currency and chartered bank deposits. As at June, 1957, the same date, the figure was $11,499

million, and for December, 1958 was $13,271 million. That is an increase of $1,772 million. In other words, these figures indicate that here is a matter that should be discussed, a matter that must cause concern because without explanation the figures tend to indicate a sharp degree of inflation possibly contributed to directly by the government's financing methods.

The other figures I want to put on the record have to do with the distribution of government of Canada direct and guaranteed securities. Taking the same dates again, the increase in government securities held by the chartered banks and Bank of Canada is $1,244 million, and the total increase is $1,509 million. I can break down the figures but perhaps that will illustrate my point. These figures show that of all this vast increase in government financing plus new funded debt issues, a very abnormal proportion has gone into the hands of the chartered banks and the Bank of Canada, thereby causing the currency to be inflated unduly, while a very small proportion has gone into the hands of the public. In other words it becomes clear—

Mr. Pallett: That statement is not accurate.

Mr. McIlraith: It becomes clear—

Mr. Pallett: That statement is in no way accurate.

The Acting Speaker (Mr. Rea): Order.

Mr. McIlraith: It becomes very clear that the investing public of Canada have lost confidence in the government's method of financing and in its policies. Lest some hon. members still argue that this is not a real problem, and as we have no right to raise questions with the minister, I just want to mention a couple of matters in connection with the subject. One is the statement of the president of the Bank of Montreal, which was very strong on this subject. It is:

> Canadian prices, inflated to a point of explosive danger, are forcing the country out of world markets.

A question was raised by the hon. member for Essex East early today about this statement by the president of the Royal bank. The minister, in a belligerent way, tried to dismiss the whole question and the whole subject. The minister then was asked whether he would speak in this debate and deal with this subject, because it is vital to our economy and at the very core of some of the present difficulties. Again he gave an answer that was a flat refusal to treat the subject as being one of real importance, and he attempted to belittle it.

There is something I wish to refer to in addition to what the Royal bank president said, and I recognize that the minister is not directly answerable to him; I quite appreciate that fact. Nevertheless this is a person of some significance in the economy of this country, and he heads a great bank. Let me point out what the president of the Bank of Montreal says on the subject. It appeared in the Ottawa *Citizen* of December 2, 1958. He goes on to deal with the government's obligation to protect the integrity of the dollar and the government action in relation thereto. I should like to quote at some length, but I will not do so, though the article is worthy of great attention. He goes on to say this:

> Further, the government's policy of monetary expansion—both to encourage a revival of business and to facilitate governmental financing—

I would ask you to note those words, Mr. Speaker—"facilitate government financing".

> —has led to expansion of Canada's money supply by more than $1½ billion in the past 12 months—

The hon. member for Peel (Mr. Pallett), who interjected a moment ago that my remarks were wrong, will also have to say the same thing about that statement.

Then there is the same thing from the president of the Canada Life Assurance Company. His address is printed in pamphlet form and is dated January 29, 1959. He has some strong language to use about inflation. The minister is, I charge, contributing to this problem. I want to seek to show in what way I consider he is contributing to it, because I do not want to make any charge without seeking to substantiate it. I could go on. There are a great many things, such as his failure to deliver a budget in the 1957 parliament. While that was a smart action from the point of view of gathering votes in the 1958 election, by failing to reveal the true financial state of his accounts, it has caused a great deal of uneasiness in this country and a loss of confidence by business people in the administration.

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

Mr. McIlraith: I would ask the hon. member to hold his question until later. I have just about three minutes left. Then I shall be glad to answer it.

The minister has not spoken in this house about what is described by many as the most important question facing the government at the present time, and what certainly by any test is an extremely serious one. He has refused to do that. Hon. members heard his attitude revealed earlier this morning on that matter. Let me quote what he said in a speech

he delivered in the Royal York hotel on January 5, 1959. I quote from the text delivered by his own office. This is what the Minister of Finance said:

> I have said that the conversion operation was an overwhelming success. It has earned the outspoken admiration of the governments of other countries.

Let me add my own opinion. It also has done much to contribute to the problems today and to add to the inflationary tendencies. I want to quote from an article in a newspaper, namely the New York *Herald-Tribune* of the same date, January 5, 1959, in order to see whether the statement is correct with regard to the admiration of the governments of other countries. I want to take the government of one other country which might be dealing with Canadian business quite a bit because they have a good deal of trade with this country. This is by Mr. Joseph R. Slevin, national economics editor of the New York *Herald-Tribune*. Dealing with this matter he says:

> Canada touched off a flurry of interest in advanced refunding last summer when it offered new securities in exchange for outstanding bonds. The Canadian experiment looked a good deal more successful than it proved to be. It was expensive and it gravely weakened the Bank of Canada's power to curb an inflationary expansion of credit.

Then he goes on in the whole article to develop that point, and he says:

> The more that treasury debt management experts have looked at advance refunding, the less appealing the idea has become. As far as the treasury is concerned, the Canadians can have it.

There we have the two statements made on the same date in flat contradiction to each other, one purporting to explain that this program had the outspoken admiration of other countries and the other quoting the views of the government of the country with which we have the largest volume of trade and with which, by reason of being on the dollar system, we are more closely linked in these matters than we are with most others.

I should like to ask the Minister of Finance to take a little bit of the time of this house to explain what governments he was referring to, to explain his reasons for inflating the currency in the way he has done, and to deal with the whole matter in a thorough way.

I see that my time is just about gone. I should like to develop this subject much more fully. I know it is distasteful to some hon. members, but I can honestly say that I consider this subject to be of the utmost importance and urgency. I should like to develop it at considerable length, and I hope that in the near future I shall have an opportunity to do so. But let me point out

that the Minister of Finance, in creating this big deficit, is rapidly getting himself into the position where the expenditures are fixed annual expenditures and not expenditures of a year, as something that might be done in any one year to meet the other problem of unemployment.

There is great difficulty in meeting the two problems that superficially appear to conflict. I recognize his difficulties in that matter. However, I wish he would deal with them instead of doing as the government has done since it took office, namely acting on an ad hoc basis as they handled all their campaign, and incurring expenditures in such a way that the government which succeeds it will have no opportunity of quickly remedying the situation.

As to the conversion loan, the Minister of Finance has not yet come into the house and given us the final figures on this whole big operation. It is extremely important that he do so. He does not consider it important enough to do so in the debate on the speech from the throne. He could not do so last session because the figures were not available. I quite appreciate that fact. But he should explain to us exactly what the cost of this operation was to the Canadian taxpayers. Then if he made that explanation he would undoubtedly argue that it was a well-taken expenditure, but he should tell the House of Commons what it is. It will be seen that part of it was for last year, an annual expenditure only. I refer to commissions and like charges through the various bond dealers and the banks in transferring bonds. Their participation is very well reflected in the statements of all those houses. That bonanza is well appreciated by those institutions. But it should be discussed—

Mr. Speaker: I am sorry to interrupt the hon. member but I must inform him that his time has expired.

Mr. Walker: I want to thank the hon. member, for whom I have the greatest respect, for his offer to answer questions. Would he be good enough to tell the house, to what does he give priority, the bankers' concern about inflation or the workers' concern about unemployment? In our opinion—

Mr. McIlraith: I will answer the quesion.

Mr. Walker: —the most important is unemployment, and most of our deficit has been incurred as the result of unemployment measures.

Mr. Speaker: The hon. member's time has expired. The question is rather a large one, but if he can answer it briefly at least I might give him the chance to do so.

Mr. McIlraith: It is a very large one, but it is a question which I am happy to answer. It is a question which the government has not faced at all. There are, as I have said, these twin problems, and I am not going to minimize them. We have had expenditures on housing about which the Minister of Public Works took the time to say something. The expenditure on housing, while it is true it is inflationary, does provide, so far as I can think on the spur of the moment, the largest amount of work per dollar of any expenditure. In addition, it is an annual charge, a one-year charge, and the hon. member for Rosedale will notice that I have never criticized that expenditure.

Mr. Walker: That is to your credit.

Mr. McIlraith: Let me answer the question; you asked it. In so far as inflation and unemployment are concerned, you cannot wholly separate the two. I have given an example of one expenditure which does involve the two things. The important point, however, is that the government has not examined expenditures carefully and decided which are purely inflationary and which are purely directed toward relieving unemployment. As an example of a purely inflationary one—it is rather difficult to answer this briefly—I want to give back to the hon. member for Rosedale the added interest charges on the conversion loan, the many millions which that will put on the backs of succeeding governments for the next 25 years.

Mr. Bell (Carleton): A loan that received the approval of the Leader of the Opposition.

Mr. McIlraith: I wish hon. members would be courteous. Since the question was asked I am trying to answer it in my own inadequate way. These added charges are purely inflationary; they are fixed for a period of years, depending on the maturity of the bonds—I think it is 25 years—and they are a perfect example of an inflationary move. In addition, they have had the inflationary effect of making the money of all borrowers in Canada, private borrowers, municipal borrowers and provincial borrowers, more expensive. This was inflationary, pure and simple. Other inflationary measures—

Mr. Speaker: I think the hon. member has had some latitude now. He will have other opportunities to discuss this matter.

An hon. Member: The hon. member did not ask for latitude. It was the supporters of the government.

Mr. Martin (Essex East): This may be a convenient moment, Mr. Speaker, to raise a question that has concerned me and others. It relates to the procedure since this particular discussion began. I think many hon. members have been under the impression that when a question is put to them, the time taken in putting the question and in making the reply is deducted from the time allowed a member under the rules to make his speech. However, the fact is that there is no such deduction made.

Now, in the interests of good debate I think it is desirable that members on both sides should be able to put questions to one another. A good example of this occurred the other day when the hon. member for Greenwood was speaking—

Mr. Pearkes: Order.

Mr. Martin (Essex East): This is a point of order.

Mr. Pearkes: What is the point of order?

Mr. Martin (Essex East): I am asking Your Honour to consider this matter. I am not asking for enlightenment now, but the Minister of National Defence (Mr. Pearkes) will recognize that it is one that applies to all members in the house and it is not a partisan question at all.

Mr. Pearkes: You are making another speech, not asking a question.

Mr. Speaker: If the hon. member would permit me to interrupt him, I would say that a point of order can properly be taken at any time if it relates to something that is before the house. The hon. member is dealing with a general question of practice, and not something that has occurred just now in the debate. I do not think we can debate that issue now because it is not a matter that is really before the house.

The hon. member has in fact made his point. For the information of hon. members I may say that if questions are asked, time is not added to the time allotted to the member who does yield the floor. The time used up just comes out of his time. The only adjustment of time is made when there is a long interruption on a point of order or a question of privilege.

Mr. Martin (Essex East): Under what authority is that particular decision taken, namely that time is not deducted? I am sure my observations at this time are in order, but I am not going to press the point. I was simply putting it forward for the benefit of all members in this house, and I would ask Your Honour to give consideration to the question raised as a point of order.

Mr. Speaker: Just the opposite of what the hon. member mentioned has taken place. The

hon. member who had the floor has had an extra two or three minutes.

Mr. McIlraith: No, Mr. Speaker, I think I should make it clear that you will find several interruptions during the course of my speech. At the end of 40 minutes exactly I stopped my speech. This question was put to me after I resumed my seat, and I sought to answer it as briefly as I could. It was a large question, and the answer was really shorter than I would have wished.

Mr. Lee E. Grills (Hastings South): Now that the air has cleared somewhat, Mr. Speaker, I should like to congratulate the mover (Mr. Jorgenson) and seconder (Mr. Fortin) of the address in reply to the speech from the throne. Much has been said about these two deserving gentlemen, and I simply concur in all that has been said already. At this time I should like to congratulate Mr. Speaker, who as a result of his unbiased attitude has won the admiration of every hon. member in this house. In addition to conducting the business of the house in an orderly and dignified manner, he has been able also to inject a little good humour and clever wit into his remarks, thus pouring oil on the sometimes troubled waters.

It is inspiring, Mr. Speaker, to be part of this truly national government sometimes, and not too often in my opinion, referred to as the Diefenbaker team. It is a complete representation of all Canadians, regardless of their origins or geographical locations. It must be an inspiration to Canadian women, who make up at least one-half of our population, to see that there are three lady members of this government party. It has been said that the reason there are not more women in public life is that they have no wives to help them. These women have proven their ability in this house, and I consider they also add charm and dignity. The ladies, as you will notice, have been placed directly across from the opposition. This is just one more indication of our unselfish desire to share our good fortune with our less fortunate members across the way.

While referring to the opposition members, I may say that I have appreciated making the acquaintance of many of them since coming to this house and have enjoyed their friendship. When I say that I am reminded of a little poem which says:

> There is a destiny that makes us brothers,
> None walks his way alone,
> All that we put in the lives of others
> Comes back into our own.

I should like briefly, Mr. Speaker, to tell you something about the riding which I am proud to represent in this house. The historic riding of Hastings South, which contributed one of Canada's former prime ministers in the person of Sir Mackenzie Bowell, is located approximately 100 miles east of Toronto on the north shore of the beautiful bay of Quinte.

After listening with interest to other members of this house, I should like to refer to my constituency as an example of a well balanced economy. Hastings county has been known for many years as the hub of the cheese industry in Ontario. Belleville, where the British Empire cheese show is held each year, is the home of such famous names as Cookes and Black Diamond cheese and others, known not only across Canada but in many countries of the world as the finest Canadian cheddar cheese. As an example, the vice president of the United States, Richard Nixon, on an informal visit to our area and Belleville in recent months, mentioned that he came to get some of Belleville's famous cheddar cheese.

Our agriculture consists of mixed farming operations including milk production for all purposes, hog raising and canning crops. I would say at this point that the present government's stabilization program has brought a sense of security to the farmers of my riding. I am one who believes our over-all economy depends to a large extent on our farm people getting their fair share of the nation's wealth. I should like also to mention with pride our many junior farm and 4-H club members, who will be future leaders in our community and public life.

I would make worthy mention of some of our industries. In the progressive town of Trenton, known to many as the "air force town", where one of our largest R.C.A.F. stations is located, we have a variety of industries including textiles, paper products, silverware, steel fabrication, electronics and many others, and the town is rapidly growing. Along the Trent canal, north of Trenton, we have an industry and a community worthy of special mention. It exemplifies the opportunities this land of ours has to offer. I refer to the village of Batawa and the Bata shoe company of Canada. In 1939 a small group of men, headed by a young man of 25 years, Thomas J. Bata, surveyed and measured land on the river Trent above Trenton, Ontario. On a 1,500 acre site they hoped to build a new business as well as a new life in a new community. Over the last decade or so, founding a new business in Canada has become a common occurrence but a new community is not being born every day.

As a result of the dreams and efforts of the young man and his associates an entirely new community has grown up in my riding, the Bata Shoe Company of Canada Limited. Both are now as much an integrated part of

the growing and expanding life of Canada as any of the varied industrial projects which are elevating this great country into the ranks of the leading industrial powers. This plant not only manufactures shoes but also shoemaking machinery and products used in national defence. I also know, from personal observation, of the loyal, public-spirited citizens who take their place and responsibility in our community, truly an example of confidence in Canada's future.

The village of Frankford on the Trent river, Stirling, with another shoe factory, and the progressive village of Tweed in the land of the lakes area in our county, are examples of up to date and live communities of which we are proud. The historic town of Desoronto adjoins the Tyendinaga Indian reserve. I would add here that in the near future I trust we will have a necessary causeway constructed above Desoronto joining the ridings of Prince Edward and Hastings, for their mutual benefit.

There are many other industries in my riding, including a large distillery at Corbyville. Some members may have heard of it without knowing the location. Time will not permit me to go into details of many other industries in my riding.

Now, Mr. Speaker, I would draw your attention to the expanding city of Belleville, known as the "friendly city", the capital of our county. I should like to bring this to the attention of some of the hon. members opposite, particularly those in the front row, sometimes referred to as the brass of the Liberal party, who have been spreading gloom and doom of recent days. The opposition seemed to have confused their own political position with the national outlook. On January 1 of this year the city of Belleville annexed 3,600 acres to its former boundaries to make available the required space and services for new industries and new homes.

The last report from our local employment office, January 1, states that the number receiving unemployment assistance is down as compared with last year. Also, the winter program is helping. I realize fully that the unemployment of any one person wanting to work is regrettable, and I am grateful that our position is improving. I might add here that in June, 1957 there were 17 vacant stores on the main street of Belleville. I have been told that on January 1 of this year there were only five. I refer to the encouraging outlook in my own riding as an example to prove that our people have every confidence in the government and in this ever-expanding Canada of ours.

I would mention, too, that we had an active divisional point of the C.N.R. in Belleville, and of the C.P.R. in Trenton, including repair shops, which are being seriously affected by dieselization and the speeding up of train schedules. We all realize that we cannot stand in the way of progress, but I have requested and will continue to request that every possible consideration be given to the welfare of our railway employees who have made railroading a life's work.

Finally, Mr. Speaker, I would draw the attention of all hockey-minded Canadians to our famous Belleville McFarlands hockey team of which we are so proud. The 1958 winners of the Allan cup, Canada's highest award in hockey competition, they have been selected to represent Canada in the world hockey tournament in Prague, Czechoslovakia, this year. The Belleville Macs comprise a group of clean-cut young sportsmen typical of the best in Canadian manhood. They will not only be in Europe to capture the world hockey championship, but will also be ambassadors of good will, and are worthy of carrying Canada's colours to many countries in Europe.

Later this session I trust we will have an opportunity to discuss the financing of Canadian entries in international sports competitions. I might say it has taken a great deal of effort on the part of civic-minded citizens of Belleville, as well as Mayor McFarland of Picton, Ontario, to make this Canadian entry in the world hockey tournament possible. I know they would want me to express appreciation to all who have contributed, and I add my personal thanks to members of this house for their help and encouragement.

I am sure the best wishes of every Canadian will go with our worthy representatives of our most popular national sport, who will be leaving Canada Sunday next, February 1. I have confidence that our team will bring back the world hockey championship, and assure the noble captain and his team that we will be proud of their effort and happy to welcome them back to our Canadian shores.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

(Translation):

Mr. J. A. Richard (St. Maurice-Lafleche): Mr. Speaker, may I associate myself with previous speakers in this debate in congratulating the mover and seconder of the address in reply to the speech from the throne (Messrs. Jorgenson and Fortin). I have no hesitation in saying that both

acquitted themselves of their task with much competence and dignity. May I point out also a significant event which took place at the opening of the session. Already on a previous occasion a prime minister of Canada had introduced his son to the speaker, as a new member of the house. This year we had the honour and pleasure to see a member, accompanied by the Prime Minister, similarly introduce his daughter, newly elected member for the constituency of Grenville-Dundas. I should like to congratulate both of them and offer them my best wishes.

I must also congratulate the hon. member for Montmagny-L'Islet for acquainting us with the fact that the province of Quebec had suddenly become a province like other provinces. I do not believe it is good policy for a province to pout at the nine other provinces and to lag behind the others all the time. We are all Canadians and to develop normally all of us need the co-operation of our fellow citizens.

Last year, I tried to get hon. members to know more about the St. Maurice area, especially the constituency of St. Maurice-Lafleche, which I have had the honour to represent here for some years. When I spoke on the address last year, I told my hon. colleagues of the various natural beauties of my riding, but added that just now those natural beauties are unfortunately offset by unfavourable circumstances which have been growing worse ever since: I mean unemployment. I endeavoured at the time to offer constructive suggestions to the government, in the hope of improving the working conditions which had become alarming. But the conditions have worsened since, and the government, which is always looking for practical suggestions, has done absolutely nothing about those I had made. I should like, however, to pay tribute to my constituents for the way they tried to improve the situation. In fact, we have winter employment committees, which have been set up in an effort to find solutions to the serious unemployment problem. I should like also to congratulate my fellow citizens and compatriots for their devotion to the welfare of their people, but I must unfortunately add that there is still a great deal of unemployment in St. Maurice-Lafleche.

Mr. Speaker, I could tell you of cases of real hardship and misery that I have seen with my own eyes. After visiting those places, I had some assistance and food sent to those people and in this way they were able to enjoy some measure of comfort. How is it, Mr. Speaker, that those periods of unemployment recur periodically whenever the Conservatives come back to power? Are they an ill omen? I am inclined to think so, as our good old folks at home often say.

Mr. Speaker, I remember the time when Sir Wilfrid Laurier came into power in 1896. I was then 9 years old and there was not much prosperity in our part of the country. In those days many Quebec farmers lived through the winter on a diet of buckwheat pancakes. May I say too that they were days that the younger members of this house have never known. Maybe that is why they let out brash outcries whenever reference is made to conditions as they were under a Conservative regime.

In those days, Mr. Speaker, only one boy in many families remained on the farm to help out his father; the others had to go out and find jobs across the border. As a matter of fact, older hon. members remember the time when farmers had to find jobs in the United States, to earn the price of their farm. However, soon after the Liberal party headed by Sir Wilfrid Laurier came into power, this yearly exodus kept growing less and less and finally stopped almost completely. Markets were opened and the lumber industry, and other industries in general, enabled us to keep in the country our most valuable capital, the human capital. I do not have to describe the amazing development which took place in our country subsequently; only those who refuse to recognize it will deny it.

In 1911, Sir Wilfrid Laurier was defeated by Mr. Borden, a Conservative. Everybody remembers the few years which followed that difficult period, but I will say no more on the matter. From 1921 to 1930, the Right Hon. Mackenzie King, a Liberal, took over. I need not add that an era of wonderful prosperity characterized those few years of Liberal administration. In 1930, the Hon. R. B. Bennett defeated Mr. Mackenzie King and the Liberal party, and took over from him. There followed a record economic depression, as everyone will remember; I, personally remember it particularly well for, at the time I was sitting on the city council as alderman. We spent whole days visiting people across the city, to bolster their courage. They were pathetic times indeed. At the time we had only so called "tokens" for the distribution of food and to keep up the people's courage. At that time, there was no welfare legislation to help the needy; there were no family allowances, no old age pensions, no unemployment insurance

either, no pension for the blind, etc., etc. In fact, we had really nothing but these "tokens" to help people keep body and soul together.

How is it, Mr. Speaker, that in 1935, when Mr. Mackenzie King again assumed power at the head of a Liberal government, that the business and the economy of the country took a fresh upswing after the election of a Liberal prime minister? The answer is easy: it is because he surrounded himself with wise people because there were qualified men to help him in his task. Then, our country was prosperous until 1957, when the people of Canada, believing in the statements of a man whose only goal was to assume power, put their trust in a Conservative government. For more than a year now, we have been going through one of the worst unemployment situations we have ever seen, a situation which is day by day growing worse. As an illustration of what I just said, I should mention that in December 1957 there were, in the Shawinigan area, 5,300 unemployed; and in December 1958, a little over 6,500. This shows that the situation always deteriorates under the Conservative governments. Is this the result of chance? If so, I think we have had enough examples of what Conservatives can do, for Canadians to place their trust forever in the Liberal party.

Mr. Speaker, I do not think the prosperity of a country is a matter of chance. As proof of this, one needs only look at the men who are managing the country's business at the present time. Since the Conservatives took office, their younger members have been very critical of such men as St. Laurent, Howe, Pearson, Gardiner, Chevrier, Martin and others. If my hon. friends opposite would only give the matter serious thought for just a moment, they would realize that this country was built by just such men, of which there is a lack in the present Canadian cabinet. Many of those young turks who have criticized, and still brashly criticize the Right Hon. C. D. Howe are not even fit to hold a candle to him. I felt great pride after I had read recently Mr. Wilfrid Eggleston's book entitled "Canada at Work", published in 1953. The book has a stirring dedication, and I need only quote it to give striking support to my assertion. It reads as follows:

> Dedicated to the Rt. Hon. Clarence Decatur Howe, engineer and statesman. His vision saw the industrial and technical possibilities of Canada; his skill and courage and drive helped to realize them."

Similar comments could be made with respect to the Right Hon. Louis St. Laurent, who carried on, with a devotion equal only to his ability, the great work of Laurier and King. If the atmosphere we find in Canada today is so favourable to national unity between the various racial groups, I think it is no exaggeration to say that it is largely due to the Right Hon. Louis St. Laurent, who, wherever he went, never missed a single occasion to stress this matter of national unity.

I now wish to say a word, Mr. Speaker, on the offer made by the Prime Minister to the municipalities of the country, a short time before he left on his long world tour last October. I am referring to this federal offer to the municipalities, whereby the federal government offered to pay 50 per cent of the cost of labour for certain types of jobs to be carried out between the 1st of December and the end of April. The city of Shawinigan, like many other cities in my constituency, could have taken advantage of this offer had it been made early enough. There is no need to be an engineer, I think, to know that works of that type require planning and all kinds of preparation. I am convinced that a great many cities across Canada were unable to avail themselves of this offer because it was made too late. Moreover, in many parts of Canada it is very difficult to lay asphalt in the streets, and to build cement sidewalks, at the present time.

The Conservative government, after promising to settle the problem of provinces and municipalities, has done nothing, in fact, to keep its promises. If the Prime Minister had really wished to help the municipalities, he would have made low-rate interest loans available to them. Thus, he would have really helped them and he would, by the same token, have honoured a solemn promise of his. Indeed, the Conservative government has done mighty little for Canadians, if we consider the very few promises it has but partially fulfilled. The cabinet wants to manage the country's business with the help of suggestions from the opposition. The cabinet could very well put into practice the one I have just made and make it possible for municipalities to borrow money at low rates. This would be doing them a service and, at the same time contribute to remedy, to some extent, the unemployment problem facing the whole country.

I was really amused, Mr. Speaker, when I heard several ministers, and many young inexperienced members, criticize the opposition because it did not offer enough concrete suggestions to the government. I was amused,

first of all, because it is the man at the wheel who is supposed to do the driving; and I was amused also because the ministers do not seem to remember their behaviour when they were sitting on this side of the house. As far as the younger members who criticized us are concerned, their statements can only come out of sheer ignorance of what has gone on.

The management of a country's business is a serious thing. Too many politicians in this government have not yet realized the seriousness of their task. If they did less talking and a little more thinking they certainly would not have to wait around for suggestions from the opposition, to solve Canada's problems. It is certainly not the old Conservative opposition which governed this country for 22 years by means of suggestions. Liberal ministers were conscious of their duty and responsibilities and, when they were running the country, they were looking after the welfare of the country as a whole rather than the fortunes of a political party. We have already made several concrete suggestions to the government in the course of this debate. The opposition is under no obligation to do the ministers' job. Let the government tell us what it intends to do to solve its problems, and it will soon find out that we have definite ideas on adequate steps to do so. Now is the time for action. The ministers should consider placing the administration of this country on a sound basis and discarding politics. This would no doubt pave the way for a revival of the prosperity which was a permanent feature of the Liberal administration.

Mr. Y. R. Tassé (Quebec East): Mr. Speaker, it seems that, traditionally, it is expected of every new member, whatever his training, his experience or the extent of his knowledge, that he address the house soon after his election and express some of his views. It is therefore in keeping with this tradition and with the many other customs that give so much value to our system of government that I rise today to take part in this debate.

It is not without considerable tremor that I rise for the first time in this house, where the future of our country is being fashioned, conscious as I am of the heavy responsibilities that weigh upon us at this time when the world is holding in its hands the awesome possibility of self-destruction. While it is a great responsibility to have an opportunity to take part in the management of the country's affairs it is also a mark of confidence and an honour that, personally, I owe to the people of the constituency of Quebec East.

And if you consider, Mr. Speaker, that this constituency has had as representatives in this house the only two French-Canadian prime ministers, Sir Wilfrid Laurier and the Right Hon. Louis St. Laurent; if you consider the stature of those men; if you consider that for over 84 years this constituency has been loyal to the party of which those great Canadians were the cornerstones, and that the constituency has now changed its political allegiance; if you consider that it is the constituency which contains this choice historic site, the place where Jacques Cartier spent his first winter in Canada, you will understand why I must borrow the words that you yourself used, Mr. Speaker, at the time you were elected to the highest function of this house, and deplore my lack of competence and experience to fulfil such heavy responsibilities. But I find inspiration and hope in the example you have set and the admirable manner in which you discharge your duties. I also should like to include in those congratulatory remarks, the deputy speaker of the house, the hon. member for Longueuil (Mr. Sevigny), and the chairman of committees of the whole, the hon. member for Spadina (Mr. Rea).

The constituency of Quebec East is famous for the quality of its people, for their respect of civil and religious authorities, for their loyalty, their stability, and their devotion to work. This is hardly surprising for many are the Quebec East families whose ancestors lived in Canada 200 years ago and many of them have ancestors who lived here even more than 300 years ago. Many of those families too are proud to number among their ancestors Louis Hebert, the first Canadian settler, who came to Canada in 1618; I trust you will excuse me for mentioning that my own family is among them.

You would be filled with admiration, Mr. Speaker, if you could visit each of the fifteen parishes of my constituency, particularly on Sunday, when you could witness the faith and the seriousness of the people in Quebec East. You could also realize what valuable assets to our country are these people's stability of heart and mind, their attachment to their institutions, their faith and the devotion that characterize them.

We all know that there are differences of opinions on certain matters between people of different regions of our country, but I

think that many of those differences will no longer exist when we all will have, as in Quebec East, many centuries of Canadian ancestors to admire.

The year just started, Mr. Speaker, marks the two hundredth anniversary of the battle of the Plains of Abraham, and I mention this to the house so as to emphasize—the better to appreciate the fact—the more intelligent way we go about settling our differences now.

The population of Quebec East appreciates the form of government it owes to the great British traditions; this appreciation was shown on several occasions and I will only mention as evidence the fact that a monument was erected in Quebec East in memory of the great Queen Victoria.

Because of those remarkable qualities of the population of Quebec East, I am proud to be its representative in this house and I promised to work for its progress and that of all the area of the province and of the whole country to the best of my ability, confident that the fact of being an engineer would perhaps help.

Before dealing with the subject of the debate itself, may I mention, Mr. Speaker, how touched I was, on my arrival in the capital, to see the coat of arms of my city of Quebec in the place of honour to the right of the parliament entrance hall. But I was even more pleased to note the great esteem and interest shown by my English colleagues for the French fact and culture in Canada. I must admit that never before had I encountered a greater desire of mutual understanding than among the Conservative members of the house.

(Text):

Just to make doubly sure, Mr. Speaker, that I have been well understood by my English speaking companions, may I repeat that I have never encountered before a greater desire and effort to understand the French fact and culture in Canada than among the English speaking members of the Conservative delegation to this house.

(Translation):

Much of the credit for this is due no doubt to the Right Hon. John Diefenbaker and to his ministers. To a large extent it accounts for his overwhelming success in the last election, but this attitude is one which also springs from a deep-seated conviction widespread in the party under his leadership. You may rest assured, Mr. Speaker, that the people in Quebec East do welcome those marks of esteem and their most ardent wish is to achieve good understanding with all their fellow Canadians, with due regard for the rights of every individual.

The subject matter of this debate is whether we should submit to His Excellency the Governor General of Canada an address of thanks for the gracious speech he delivered at the opening of this session. My opinion is that it is proper to do so.

The program outlined in this speech is an obvious indication that His Excellency the Governor General is advised by enlightened and forward-looking ministers who are eager to see the development of each and every area of this country; in other words, the government of this country is in capable hands. As a further proof, Mr. Speaker, you can recall many events which have a particular interest for the Quebec East riding and which took place since His Excellency has been receiving the advice of his present ministers. One of the steps Quebec East appreciated the most, Mr. Speaker, was taken when the federal government bought the park where the first pioneers of this country, Jacques Cartier and his companions, spent their first winter and when it became a national historical park.

This site, one of the most revered of our history, had been awaiting official recognition for over 350 years, and it is thanks to the present Prime Minister and to his appreciation of spiritual values that this event has taken place, and that we can hope to see this most beloved spot made beautiful and worthy of its past. Our Prime Minister has left, in Quebec East, the characteristic imprint of his great personality, and we shall remember it.

In the economic field, one of the vital activities of Quebec city is its port. Until 1850, it was bustling with activity, and unequalled in the country. Things changed when progress, at a cost of hundreds of millions of dollars, prompted man to dig a channel allowing sea-going ships to reach Montreal, and to construct railways connecting the Atlantic and the Pacific coasts. Quebec was hard hit by these events, but found solace in the thought that it had, in a way, been the mother of various cities that grew up as a result of these works and which, today, have grown larger than their parent. But with a turn of the tide, which, it is hoped, will cause no envy, Quebec may recover to a certain extent. Owing to the extension of the St. Lawrence seaway to the

great lakes, and also to technical developments that now allow ships to travel in winter through the gulf of St. Lawrence and the lower section of St. Lawrence river, Quebec may, up to a point, recover its function as a terminal port which Providence had originally meant it to be and which she held until the middle of the last century. The Minister of Transport (Mr. Hees) and the staff of his department deserve to be congratulated for the boldness and progressiveness which they have shown in the highly important field of seaway transportation, which is so particularly important for the Quebec area.

In a similar vein, Mr. Speaker, the St. Charles river, which is now a liability, may well become a great asset for our city, by the building of locks and walls. It is rather unusual to see that the works which were undertaken about 1911 as a result of an agreement between the city of Quebec and the federal government and for which close to $2 million were spent, and which were put aside because of the war, were never resumed by later administrations. But the present Minister of Public Works (Mr. Green) was quick in realizing the importance of those facilities for the development of Quebec and he hastened, as soon as he was requested to, to order a survey of the situation to see what could be done about it. I trust, Mr. Speaker, that his able departmental engineers will find a suitable solution to the difficulties that have accumulated as a result of the discontinuation of these works, in order to give Quebec city what she should have benefited from for almost 40 years.

Another proof of the spirit of initiative and enterprise of this government, Mr. Speaker, is its recent decision to acquire the St. Charles home that has been vacant for many years in a quite valuable site, and to replace it by a building worthy of the federal government activities in the Quebec region. The constituents of Quebec East could hardly understand that the great men who represented them in the federal government for close to a century should not have considered or could not find a way of contributing to its expansion through projects of that kind. We are very grateful now to the Minister of Public Works (Mr. Green) and to his colleagues for putting this project through. It is a great asset and contributes to the expansion of the most important business section of Quebec city.

Many other measures of the present government prove very clearly its sense of enterprise, and among the national measures which are most beneficial to the economy of my constituency, are the amounts of money made available to the building industry in the form of housing grants, increased grants for the elimination of level crossings and recently, the inquiry on discriminatory freight rates. But the best proof of this sense of enterprise, Mr. Speaker, which also reflects that desire for mutual understanding to which I referred a moment ago, lies right there in this fine simultaneous interpretation system. Canada has been officially bilingual for a long time now, and we have also heard much about unity and good will, but we owe credit to the present government for taking this concrete and important step through which we can understand one another more easily.

Mr. Speaker, the past is an excellent guarantee of the future and after hearing of the legislative program described in the gracious speech read by His Excellency the Governor General, there is no doubt in my mind about the value of His Excellency's ministers and about their ability to carry out the program outlined there. That is why I think it is desirable to thank His Excellency for his gracious speech and I will vote in favour of the proposal so well expressed by the hon. member for Provencher and so eloquently seconded by the hon. member for Montmagny-L'Islet.

(Text):

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I believe there is a growing body of evidence that in many important instances the government talks one way and acts another. I think it is one of the cardinal principles of a democratic government that when the Prime Minister (Mr. Diefenbaker) or responsible members of the cabinet enunciate policy and principle in the House of Commons and outside of it the people of Canada should be certain that they mean exactly what they say. One of the things I refer to is the action of the government on a proposed bill of rights.

No one over the years in parliament has been more active than has the Prime Minister himself in championing the rights of minorities and the rights of free speech and freedom of the press. He has been so greatly concerned with this whole field that he promised to bring in a bill of rights, and a tentative bill of rights was presented to the house for discussion last session. We contended there were many omissions in the bill; but nevertheless the declaration was made therein that

civil rights and civil liberties in this country were to be protected.

Are they being protected? Do the persons who operate government services of one kind and another have basic civil liberties and civil rights in this country or must they stand in fear that some member on the government side of the house and, perhaps even on the opposition side of the house—although as far as we are concerned, no one in this group—may write a letter to a cabinet minister saying that this particular person is playing an active role in politics, as a result of which he may be dismissed from his position? I think that prerogative of members of parliament, no matter how long it has been used, is unfair, unjust and undemocratic and that it should be abolished. I for one will never use that prerogative myself.

Mr. Pallett: You will never get the chance to use it.

Mr. Argue: Oh, I could write a letter to a cabinet minister. I am not barred from doing that.

An hon. Member: That would make it worse.

Mr. Argue: If I had reason to believe that somebody was doing something wrong I would not take it upon myself to fire that person by that means. I would ask that an investigation be made. But that is not what is happening. We have the case that has already been raised in this house—I raised it myself at the opening of the session—of a man who had a sub-post office in the city of Toronto. I refer to Mr. Nicholas Manfredo who had his sub-post office taken away because he had the audacity to write a letter to a Toronto newspaper complaining about the Prime Minister.

Mr. Nesbitt: That is not true.

Mr. Argue: Of course it is true. This man says, in a public report in the press, that two inspectors of the post office department walked into his sub-post office in Toronto. What did they carry as evidence of his political activities? They carried the letter or a copy of the letter which he had written and which had been printed in the newspapers.

An hon. Member: What about the election?

Mr. Argue: If some of these things are not precisely accurate—though I suggest they are —there is in *Hansard* incontrovertible evidence of what is going on. The Postmaster General (Mr. Hamilton) was clear and definite. He did not beat about the bush. He said that the hon. member for York South (Mr. Beech) had complained that this gentleman was taking part in politics and that he had him dismissed because of that complaint.

Mr. Nesbitt: Was he not an official of the Liberal party?

Mr. Argue: What is that?

Mr. Nesbitt: Did it not say that he was an official of the Liberal party?

Mr. Argue: Since when is it a crime or a sin to be an official of any political party in a country like ours which is democratic and which the Prime Minister says is free?

An hon. Member: It is a contravention of one of the civil service regulations.

Mr. Speaker: Order. The hon. member has a right to make his speech without interruptions.

Mr. Argue: Mr. Speaker, I do not mind them at all. As reported at page 14 of *Hansard*, the Postmaster General said:

> My action was taken in accord with long-standing practice that where a member of parliament personally certifies to the partisan political activity of a public servant, dismissal may be ordered by the minister concerned.

I think that practice is abominable. I think it should be stopped. I think that any government that professes to believe in a bill of rights should halt this action which is the very opposite of the action and the principles contained in any bill of rights. But the Prime Minister, when he commented on the matter did not, I notice, come forthwith to the defence of the Postmaster General. What was the Prime Minister's answer? His answer was, I was out of the country; it is not my responsibility. This was what we got from the Prime Minister. He said it was the responsibility of the Postmaster General. Surely, it is a very elementary fact that in a British democracy the Prime Minister is responsible for the actions of the members of his cabinet. The Prime Minister himself must bear the responsibility for this man having been persecuted because of his political beliefs.

If the Prime Minister wishes to prove to the people of this country that he believes not only in the principles of the bill of rights but that his government is prepared to follow those principles in every way, he would have this man's sub-post office returned to him or restitution made in some other form. Then the people of Canada would say, this is positive proof that the Prime Minister does not believe that people should be persecuted because of their political beliefs. The Prime Minister was able, and we agreed with it, to stand up in parliament last session and

attack communist practices in foreign countries very severely. We had an illustration of this in the case of Imre Nagy. However, I notice that when other instances of wrongdoing in other countries are brought to his attention, he does not take action forthwith.

My point at this time is that wrong doing, acts of murder and so forth in any country in the world, particularly on a wholesale scale, are things about which the Prime Minister of this country should be prepared to protest in the strongest possible terms. I express the hope now that when the bill of rights is presented to this parliament it will be drawn in such terms as to protect the Nicholas Manfredos and the thousands like them all across this country from members of parliament who wish to persecute them because their political beliefs interfere with the members' ideas of what should be done.

I believe this government has demonstrated in recent days another very undemocratic attitude. I refer to the attitude of the government in so far as the C.B.C. producers' strike in Montreal is concerned. I have read everything I could on this question, and I am convinced that the producers who are out on strike have one issue in mind mainly, and one issue only, and that is that they want their association to be recognized as their bargaining agency in dealing with the Canadian Broadcasting Corporation. Since when has that been considered an unfair request? Since when has it been considered wrong for an organization, be they producers or any other body of workers, to say to the corporation for whom they work; this is our association; this is the association of our choice and this is the association that we wish recognized?

What have we asked the government to do? We have not asked the government to go in and settle the strike, to lay down the law and force the men back to work. We have said that the officers of the Minister of Labour (Mr. Starr) and the Prime Minister should be available for the calling together of the parties in this dispute to see whether or not, when they are brought together, an amicable settlement can be arranged. What answer did we get from the government? I think we got three answers. The Minister of National Revenue (Mr. Nowlan), to whom the C.B.C. reports, says that the strike is illegal. The Solicitor General (Mr. Balcer) says the strike is legal, and the Minister of Labour says, I don't know. I thought there were only two sides to most questions, but apparently there are three to this one. It is legal; it is illegal; and I don't know. This is scarcely the attitude of a government that is responsible to the Canadian public.

[Mr. Argue.]

We feel that action should be taken. The government should use its good offices to bring about an amicable settlement. There is no doubt in my own mind but that in good time the people who wish to see these facilities maintained and continued, people of good will, will see that this strike is settled. How long is it going to continue? How much ill will will be generated? How much of these services will be lost? Is the corporation management sincere? Are they adamant in saying that they are prepared to build the organization from the bottom up? I think the producers, the artists and all the other people who are involved in this strike have made a very great contribution to the culture of Canada. They have made a real contribution towards the development of French Canadian culture for the French speaking sections of Canada. They have accomplished great things over the years, and those accomplishments should not be endangered because the government refuses to bring the parties together to talk over the situation in order to bring about a settlement. I feel that in asking for a certain organization to be recognized as their collective bargaining agent these people who are on strike are very much in order and very much within their rights.

The next question to which I wish to refer concerns another matter in which the government has said to parliament, this is being done and this is being accomplished, whereas we find that as events take place there is little evidence that it has been accomplished. I refer to the whole question of United States policy and United States law as it affects the subsidiaries of United States corporations operating in Canada. We had a great deal of discussion about this matter last year. We had a long discussion concerning the loss of the sale of 1,000 automobiles to China. The Prime Minister had this matter discussed with the President of the United States when he was in Ottawa, and we thought an arrangement had been worked out. We felt that this kind of difficulty would not happen again. I have in my hand a clipping from the *Globe and Mail* of July 10, 1958, which has this to say in part:

> Mr. Fleming asserted Canadian independence in such matters.
>
> "The intention", he said, in a note read to a press briefing by James Nelson, Mr. Diefenbaker's press secretary, "is that Canadian law and Canadian law alone is to prevail over persons or corporations carrying on business in Canada."

That should have been clear enough. The Prime Minister, in reporting to parliament

on July 11, 1958, at page 2142 of *Hansard*, had this to say:

> The President expressed the view that the United States regulations should not be applied in any way to the disadvantage of the Canadian economy. If cases arose in the future where the refusal of orders by companies operating in Canada might have any effect on Canadian economic activity, the United States government would consider favourably exempting the parent company in the United States from the application of the foreign assets control regulations with respect to such orders.
>
> It was made perfectly clear, and I want to underline this fact, that there was no question at any time that, with respect to the operations of Canadian companies, Canadian law shall govern and Canadian wishes shall be respected.

That was the assurance, and that was what parliament had expected was the situation. That is what, with a unanimous voice, parliament said it wished. There is a growing body of evidence that United States law is being used to curtail or to control the activities of corporations in Canada, subsidiaries of United States corporations. We are aware of the letter that was placed on the record the other day by the hon. member for Vancouver East (Mr. Winch) in which it was shown that a possible sale, perhaps even a likely sale of rubber belting to China was made impossible because of the actions of the parent corporation, International B. F. Goodrich Corporation of Akron, Ohio. We have the case of the aluminum company which said it did not want to accept a certain order because of fear of loss of markets—

Mr. Grafftey: Would the hon. member permit a question?

Mr. Argue: The answer is, no. Then we had the Minister of Justice (Mr. Fulton) make a pilgrimage to the United States and place before his counterpart there the position of the Canadian government and the position with regard to this matter which I believe Canadians support. I am glad the Minister of Justice made that trip. I hope it meets with more success than was encountered the last time members of this cabinet talked with the President of the United States and others. I think it is embarrassing to our nation, and I think it is degrading, that after we have received an assurance from the Prime Minister in this house that only Canadian law would affect Canadian companies it should be necessary for the Minister of Justice to make this trip to the United States.

I say to the government here: it is time parliament was taken into the government's confidence in a full way; time the government gave us a clear and accurate picture of what the facts really are. Let us not have this all-embracing assurance that all is well, and that Canadian law will be respected in every way, and then have this series of infringements one after another until the Minister of Justice himself must make the journey to the United States.

There is one further question to which I wish to make reference at this time, namely some of the statements made by the Minister of Northern Affairs and National Resources (Mr. Hamilton) and by the Minister of Agriculture (Mr. Harkness). I have listened to members of the cabinet speaking in the course of this debate, and I can agree with those who have said that cabinet ministers of this government have, in general, taken an entirely different attitude from that usually adopted by cabinet ministers in the former government. When cabinet ministers of this government rise to take part in debate they make very spirited attacks on the opposition—which we all enjoy even when we are the subject of the attack—and they make highly charged political speeches, which, incidentally I also enjoy. But they seem to keep as far away as possible from discussing in a comprehensive way the activities of the department for which they are responsible. Why do cabinet ministers so frequently fail almost entirely to tell us what is going on in their department, what their program is, and what the Canadian people can look forward to being accomplished? Instead of doing these things they spend all their time in political tirades.

I which to say, in fairness to the Minister of Agriculture, that he did not make that kind of speech. I think that if one were to examine the speeches of all the cabinet ministers who have spoken so far in this debate one would find that the Minister of Agriculture has given us more facts and more figures—perhaps, being a farmer, I could say more meat—than any other cabinet minister did. This does not mean to say that I agree with the main contention of the Minister of Agriculture. He seemed to have two general attitudes. One is that he understands all the dangers involved in growing surpluses in this country, and he tells the people: if you are not careful you are going to lower prices and things will get worse. Then, in another type of speech, he goes over the amount of income received, the change in the price level and the experience the farmers have had in 1958—

Mr. Harkness: Very good, wasn't it?

Mr. Argue: I do not agree with that. I will have a little more to say about it in a few moments.

As far as I am concerned, the Minister of Northern Affairs and National Resources

made the most enjoyable speech of this session. He spent three-quarters of his time talking about the hon. member for Assiniboia and, as I said at the time, I have not had so much attention in years. The minister of northern affairs took exception to a great many things I have said. There was one statement I made which he said was not correct or, rather, one report which I had quoted from the newspapers which he said was not correct. That was the report in which he said that future plans of the Conservative party included a revolutionary farm credit program, crop insurance, deficiency payments on western grain, tax reductions and other important reforms. He denied he had made that statement, but in order to show that he had not made the statement, which was reported from Wolseley at the end of March he quoted from the prepared text of a speech he made in February, a month before.

I am wondering why he took so long to correct this speech. In the session last year, on July 15, I quoted from the press report exactly what the minister said and exactly the words to which he took objection the other day. Six months went by, during which time he did not deny that he had made the statement that farmers in western Canada would receive deficiency payments from this government. That was not the only occasion last session on which I referred to his statement. I referred to it again on August 31, as reported on page 4352 of *Hansard*. But the minister let all this time go by before correcting the statement which he said was not accurate.

Reference was made to remarks I am supposed to have made regarding the purpose of the Colombo plan. I wish to clear up now any misunderstanding or misinterpretation of the remarks I made. I was asked to comment on whether I felt that the central purpose of the Colombo plan should be for the disposal of wheat. I said I did not think that was the central purpose of the Colombo plan as it has been in existence. I went on to say, however, that I welcomed any and all measures which would help to sell Canadian wheat on the export market. And I will say to the Prime Minister that we in this group will support measures to increase the export of Canadian wheat, though we do feel that the central purpose of the Colombo plan was to provide capital and technical assistance, and that the provision of wheat was something brought in at a later date. Laudable though this is, it is not the central purpose.

The Minister of Agriculture in his speech attempted to show that farmers are better off now than in previous times—

[Mr. Argue.]

Mr. Diefenbaker: Before the hon. gentleman continues, would he say what proportion, if any, of the $50 million a year that will be devoted to Colombo plan expenditure under the expanded program should be in the form of wheat and flour assistance?

Mr. Argue: I would say that there should be a substantial proportion, and I would go on to tell the Prime Minister that the record is very clear and that we in the C.C.F. group say that one per cent of the gross national product of this country should be used in a program to help the underprivileged countries of the world. The Prime Minister can ask any cute questions he likes, but he will not have me trapped on our stand for the disposal of this important commodity is concerned. Our record is clear and we stand by that record.

Mr. Diefenbaker: You have changed very much.

Mr. Argue: I was about to quote what I thought was the central conclusion of the speech of the Minister of Agriculture who on January 23 as reported, at page 255 of *Hansard*, had this to say:

> Therefore I feel it is quite apparent that the cost-price squeeze which was a cause of hardship to the farmer under the Liberal administration ever since 1951-1952 has been finally halted and reversed.

Coupled with that one must take into consideration the threats of the Minister of Agriculture that these prices may be reduced.

Mr. Harkness: To what threats are you referring? I have made no threats.

Mr. Argue: I have placed them on the record before and the minister knows what they are. Also coupled with that one must bear in mind that the actual increase in farm net income, improved as it was in 1958, was very small. One must also bear in mind that the farmer's position is still relatively bad at this time.

Mr. Harkness: Mr. Speaker, I wonder if the hon. gentleman would permit a question. The hon. member made a statement to the effect that the increase in the farm net income was very small in 1958. I should like to know what figures he used as the basis of his statement because as far as I know the figures are not yet available.

Mr. Argue: These are estimated figures.

Some hon. Members: Oh, oh.

Mr. Argue: The minister can say whether or not he thinks the figure is correct but I estimate it is just under $1,200 million. I will leave it at that.

I go on now to venture another prediction. The minister can prove me wrong in a few

months if he finds he is able to but I suggest he will not be in a position to do so. I believe the purchasing power of farm net income for the years 1957 and 1958 will be more than 30 per cent below real purchasing power in constant dollars of the period 1946 to 1956. I tell the Minister of Agriculture that problems of the farmers are a long way from being solved.

Mr. Harkness: Nobody has said anything else.

Mr. Argue: That is not what the minister said before. Keeping in mind that the costs of production are going up constantly agriculture is looking to this government at this time for action. I have in my hand a statement as to the general position of agriculture in this country and I believe the minister would agree it comes from an eminent authority. The following statement is attributed to Dr. Andrew Stewart, chairman of the royal commission on price spreads, who is reported to have said on November 12 last:

> When the farmer said he was selling his food below the cost of production, he was telling the truth. That was one thing the royal commission on price spreads learned during hearings throughout the country.

If some prices for agricultural products have improved I am very pleased. But the Minister of Agriculture perhaps more than any other person in this country is aware that the good price of beef, for example, results to a very large degree from the amount of exports we have had in recent months to the United States.

Mr. Harkness: I have said that repeatedly.

Mr. Argue: I am underlining what the minister said. He has pointed out very accurately that if the United States market for some reason or other should be lost, on the basis of recent marketings over the past few months we would have a difficult situation in Canada as far as beef is concerned. We can only hope that the market will be maintained at a good level and that these prices will be maintained.

Agriculture in Canada today is not satisfied with what has been done. Prairie farmers are organizing a mass delegation to come to Ottawa. The meetings they have held have been large and well attended. I am certain that when they come to Ottawa they will present an excellent brief and put their case in a quiet, efficient manner. I believe they will impress on the government the seriousness of the situation in the west. Let us see what the Prime Minister said about delegations. On January 19 at page 57, referring to delegations in general—

Mr. Harkness: Page 57 of what?

Mr. Argue: *Hansard.* This is what he said:

> That statement applies generally. While the government will at all times welcome suggestions, ideas and arguments, I think the experience generally has been that the stronger the lobby, the weaker the argument.

I do not believe the delegation that will come to Ottawa, strong as it will be, will have a weak argument. I am hoping that when the delegation comes here the Prime Minister will give them a good hearing, a cordial reception and sympathetic consideration.

The Prime Minister has denied that he said he would give sympathetic consideration to deficiency payments. I take that statement as he said it. But he did say "sincere" consideration and "careful" consideration before. If he is not giving sympathetic consideration, is it unsympathetic? What is wrong with saying he is giving sympathetic consideration?

What did prime minister Mackenzie King say when the last big delegation came to Ottawa in February of 1942? In part these are his words as they are reproduced in the *Western Producer* of January 29, 1959:

> Prime Minister King expressed appreciation of the decision of Saskatchewan residents to send such a large delegation to Ottawa, stating that it had focussed the attention of the rest of Canada upon the problems of the west—

That is what a mass delegation can do. I continue:

> The prime minister complimented the delegation upon its petition, which he described as "convincing in many respects."
>
> The prime minister declared that the government knew all about the problems of the west; they had been discussed many times at Ottawa. The council did not need to be reminded of these problems. The people of Canada did—

That delegation was a success. Because of it the price of wheat was increased by 20 cents a bushel. I believe that when this farm delegation comes to Ottawa this time their case for assistance will be stronger than it was in 1942 because the purchasing power represented by a bushel of wheat in relation to the cost of living and production is less today than it was in that year. I hope there will be no further suggestions from anyone to the effect that if a delegation is large or strong it has a weak argument.

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman does not want to deceive. May I point out that I was referring to a question respecting the CF-105 and the lobby that was being carried on. The hon. gentleman is endeavouring to leave the impression that I was dealing with something else.

Mr. Argue: I have already indicated, Mr. Speaker, that the Prime Minister said that

he was making a general statement. I do not now have the exact quotation immediately at hand but it has already been placed on the record where it will stand. It will indicate that the Prime Minister was speaking in general terms.

There was no indication that the government was anxious to hear from the large delegation that was in this building the other day. That was the largest delegation I have ever seen. You know, this is becoming a government of delegations.

Mr. Nesbitt: You had it pretty well organized.

Mr. Anderson: I notice that the C.C.F. delegation in this house is pretty small.

Mr. Argue: I appear to have misplaced my notes for the moment, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Argue: I have found them now. Hon. gentlemen may laugh but I notice that the Prime Minister always comes in with his arms laden with books, papers and files. He always has more notes and papers around him than any other individual in this chamber.

Mr. Pearkes: But at least he can find his references.

Mr. Argue: Mr. Speaker, this has become a government of delegations. This government promised action in the interests of the Canadian people but none has been forthcoming. It is undemocratic and anti-labour and for that reason we had the recent spectacle of 1,500 people who came to Ottawa to impress on the government their need to have democratic rights. The farmers of western Canada are going to come to Ottawa, too. What for? To try to persuade the government to keep its pledge.

Mr. Harkness: How many farmers are coming from Alberta?

Mr. Argue: Mr. Speaker, before my time expires I wish to move, seconded by the hon. member for Vancouver East (Mr. Winch):

> In view of the imperative necessity of protecting the legitimate interests of Canada in the fields of trade and industry, we respectfully urge that Your Excellency's advisers should give consideration to the advisability of introducing a motion to establish a special committee of the House of Commons to investigate the extent to which, directly and indirectly, Canadian companies are made subject to United States law and business policy and the damage this has caused to the Canadian economy through loss of export markets.

We feel that this should be done at this session not only to deal with the specific cases we have before us but also to deal with other instances that from time to time are brought to our attention of orders coming to this country to Canadian companies and orders being stopped by the parent companies in the United States, companies coming from the United States buying up Canadian companies then closing them down in order to corral the market and other practices. I believe that in such a committee members of all parties could unite in their determination that Canadian companies shall act only in the interests of Canada.

Mr. William Anderson (Waterloo South): Mr. Speaker, first I would like personally to congratulate the hon. member for Provencher (Mr. Jorgenson) and the hon. member for Montmagny-L'Islet (Mr. Fortin) on their speeches on the address in reply to the speech from the throne. Like all other hon. members, I would like to congratulate them very highly on their excellent and eloquent presentations.

I would like to compliment, you, Mr. Speaker, on the excellent way in which you are carrying out your duties in this house, and I would also like to compliment the Deputy Speaker and the deputy chairman of committees of the whole house.

Like other hon. members, I should now like to inform the house of some of the very interesting facts about my constituency of Waterloo South, situated as it is approximately 60 miles southwest of the city of Toronto. Galt is the largest municipality in my riding and is just under 26,000 in population. Preston is slightly over 10,000 followed by Hespeler, New Hamburg, Baden, Ayr, Breslau and several other municipalities.

Waterloo county is often referred to as the banner county of Ontario and is known as a very rich agricultural area, the home of a very large number of thrifty and successful farmers. Most of them are engaged in mixed and dairy farming. There are feed cattle producers, hog producers, sheep farmers as well as several large turkey and broiler farms. The farmers in my constituency are generally speaking a very successful and happy group and cause me very little worry or concern.

Waterloo South is a very highly industrialized area, containing approximately 250 diversified industries, large and small. Therefore, you, Mr. Speaker, will readily agree that there are many problems which come to me as a result of the various plants in my riding. At this time I wish to thank the various ministers, their deputies and staffs for the courteous co-operation they have given me in handling some of those problems. I wish especially personally to thank our great leader, the Prime Minister

(Mr. Diefenbaker), for his interest in my riding and also the Minister of Finance, Public Works, Trade and Commerce and the Postmaster General.

The main source of trouble that I have experienced since coming to Ottawa has been that of the textile situation. Textiles have been very prominent in this area along the Grand river since this section of the country was first settled. The whole area has been hit very hard in recent years by the closing out of many old-time firms. Possibly, the change in dumping duties which was announced yesterday will help some of those industries to some extent.

At the present time our government is being blamed for the condition in this particular industry. This is entirely false. To a great degree this is just another of the inheritances of the present administration. For years back some of the older firms in my riding had no end of trouble. In some cases this might have been due to management; but several of the large mills have closed, the chief of which was the very large Dominion Woollens and Worsteds plant at Hespeler. This firm, I am told, manufactured about 70 per cent of all the uniform cloth required by the three branches of the services during the second world war. The plant and buildings have now been acquired by Silknit Limited of Toronto, who plan to reopen the mill this year and manufacture another line of textiles. But one point I would like to mention here which disturbs me very much is my understanding that all the equipment which was used for the manufacture of those defence materials is now being scrapped and sold for salvage. My personal feeling is that the government should acquire this equipment, put it in mothballs, as the saying goes, and have it available for any emergency which might arise because there is no other equipment coming into Canada which would replace those machines now slated for the junk pile.

It is my sincere hope that defence department officials will check into this at once because some of the finest materials available during world wars I and II were manufactured on these very looms and other machinery in this plant. In the event of an emergency it would seem utter foolishness to have to depend on importations of materials for war purposes or civilian use as well.

Importations of woollen cloth goods and finished garments from the United Kingdom, Italy and Germany have also had serious effect on the woollen industry in my constituency, to say nothing of the Japanese imports such as textiles, steel and iron pipe, brass and brass fittings, plastics, toys, finished clothing, rain wear, woven gloves, and so forth.

One of the leading industrialists in my riding, Mr. Gordon Chaplin, the president of the Canadian General-Tower Company, whose father made quite a name for himself in this house, the Hon. J. D. Chaplin, who was a minister from Lincoln, in speaking in St. Catharines on Friday, January 16, had this to say when speaking on "Buy Canadian":

> Buy more Canadian goods or face increased unemployment and depression of secondary industries in the country.
>
> These were the alternatives offered in effect by Gordon Chaplin, a Galt manufacturer and a native of St. Catharines, in an address Thursday to the St. Catharines Rotary club.
>
> While recognizing the importance of international trade to the Canadian economy, Mr. Chaplin pointed out that Canadian manufacturing industries are handicapped by high labour costs and relatively small volume, as well as by various types of protective legislation in countries to which Canada might export.
>
> At the same time in the home market Canadian goods must compete with the American imports which can be produced at a lower unit cost because of the volume, and with Japanese and other goods which are produced by cheaper labour.
>
> Mr. Chaplin noted that his own firm, the Canadian General-Tower Limited, which produces some 2,500 plastic items of materials new since the last war, has faced a radical change in the past 20 years. Not only has the firm had to keep up to date on its products, but it has lost its export markets which had been 36 to 40 per cent of production before the war. Loss of this market he blamed on currency restrictions, quotas and protective devices in foreign countries intended to protect their home industries. Canadian production has also been priced out of foreign markets and is in danger of being priced out of home markets—
>
> "We simply cannot go on indefinitely," he said. "The government has recognized this in advocating a 15 per cent trade diversion to the United Kingdom. This may have merit, but why not a 15 per cent diversion to Canada?"

After the war the supreme allied powers and particularly the United States aided in the re-estabishment of the Japanese government and industry. Canada helped too by giving support to Japan's participation in the Colombo plan, Japan's accession to GATT and admission to the United Nations and subsequent election to the security council. In addition, Canada accepted Japan as a member of the most-favoured-nation category for customs and tariff purposes and in 1954 signed a special trade agreement. By 1957 Canada had sold $139 million worth of goods to Japan and imported $61½ million. Of the $139 million sold by Canada to Japan, $53.6 million was for wheat, $13.8 million was for barley, $11.4 million for flax seed, $1.3 million for mustard seed and $1 million for wheat flour. This is a total of $81 million in agricultural products.

The emphasis on wheat sales has been the key to the whole question of Japanese and

Canadian trade because that was the main reason former trade minister C. D. Howe gave for the 1954 trade agreement between the two countries. Canada is selling its wheat and agricultural products, as well as wood pulp and metals, and we have a favourable trade balance of $77½ million. The catch is, however, that these imports into Canada are based on Japanese values before duties and not on what they are worth in Canada.

With Japanese wages approximately one-eighth of Canadian wages and the whole Japanese economy geared to low-cost operation, it is estimated that the replacement value in Canada of these imports is from two to three times their Japanese value. On the basis of even two and a half times their Japanese value, goods imported from that country would be valued at $153.7 million.

In 1957-58 the largest imports from Japan were textiles and clothing, but also imported in very large quantities were toys, electrical products, rubber goods, plywood and veneers, all of which are manufactured in the county of Waterloo. I should mention at this time for the benefit of some hon. members some of the nationally known products of Waterloo county. Articles which are used in the home, factory or office, institutions and hospitals run from the largest of steam boilers which can be adapted for the use of nuclear power to furnaces, stoves, washers and dryers, sinks, tubs and toilets, refrigerators, deep freeze units, fine furniture, guaranteed metal furniture of all kinds for home, office, hotels, airports, woodworking machinery, saws, precision tools, electrical devices, controls, transistors, switches, felt boots, ladies', men's and children's shoes, woollen, cotton and silk textiles, business machines, factory trucks, cash registers, automobile parts such as mufflers and gas tanks, tacks and nails, taps and dies, plumbing fittings, plastic curtains, kitchenware, toys, rain wear, air conditioning systems and blowers, school furniture, desks and chairs, post office furniture, steel barns and buildings, magnesium products, hockey sticks, steel springs and all kinds of meat and cheese products.

I might mention here that only the day before yesterday I received from one of my constituents a copy of a letter which was addressed to the Department of National Revenue, and it points up a fact that I think should be mentioned, that under the heading of goods of a type or kind not manufactured in Canada I believe there are many imports coming in that should and can be made here. The letter reads as follows:

> Thank you for your letter explaining why you have permitted certain fan units to come in under tariff item 409f free of duty. However, I must say that I do not agree with your line of reasoning in this connection because anyone could build a sheet metal box, equip it with a fan and motor and say that it is made especially for farm use. Even so, that doesn't mean that Canadian manufacturers are not capable of making something similar and Canadian manufacturers should be entitled to tariff protection. I think these things should be judged on whether Canadians are capable of manufacturing the item, not whether being already made in Canada or whether for farm use only. The Canadian manufacturer of our fan units is just as capable of manufacturing something similar and is willing to do so but feels that there should be tariff protection. We agree with him.
>
> A fan with a sheet metal box should be subject to duty just like any other fan. It moves air, that's all it does do and it is not an air conditioner. If you will kindly reconsider this matter our fan manufacturer will proceed at once to provide us with Canadian made units. Thank you for the good attention you have given to this matter and I hope that you will now review it, considering the viewpoint of the Canadian manufacturer.

I am led to believe that a manufacturer must be able to produce at least ten per cent of the nation's requirements before an article is classed as a national product. I am not quite sure of this. I should have checked before I spoke, but that is my assumption. I am sure there are many items coming into the country under this classification that could be made in Canada.

At this time I should like to say a few words about another matter that is very important to my constituency, namely the Waterloo-Wellington airport. I would remind the Minister of Transport (Mr. Hees) of his recent visit to the airport and the increasing need of adequate night lighting, radio control, extended runways and other matters. We in Waterloo and Wellington counties would like to see the Waterloo-Wellington airport made an alternate landing field to Malton airport because of its altitude and the atmospheric conditions there.

On many occasions when Malton is fogged in Waterloo-Wellington is clear. But aircraft cannot land due to the lack of proper radio communications and runway lighting. Many firms in our area have their own aircraft and others are subsidiaries of large United States companies whose planes returning from the United States or points in Canada after dark, have to land at Malton and their passengers have to travel to their destination at Galt, Guelph or Kitchener by car or train. It is my sincere hope that amounts will be included in the department's estimates to provide for these necessary installations in the coming year. This airport has wonderful possibilities and will serve a great many industries in this very busy section of Ontario which will become even busier with the advent of the seaway and the new 401 highway.

There are quite a few members of the house who have served for years on municipal councils and some like myself as mayors of their municipalities. This is a very good training for a grass roots approach to the responsibilities of a member of parliament. There is, however, a vast difference in the way a municipal government operates and the way parliament carries out its duties. I believe that a strong, active opposition is very essential and necessary but not to the degree that they should try to block or stall for political reasons all sound and sensible legislation put forward by the government. In my years of municipal experience we often had members with vastly different views but in a democratic and sensible way we settled our differences and then went on to do the job we were elected to do.

This brings up another point, that of the extraordinary co-operation we received from the civil employees and departmental heads. In all cases they were very loyal and co-operative and I personally was shown every co-operation. This is the way it should be. In private business you cannot be successful if your staff are not co-operative and loyal. From my personal observations I feel that a large percentage of the government employees are loyal and co-operative, but I am sorry to say that in my opinion there are some yet who depend on a government cheque for services rendered who do not realize that, as a result of the June 10, 1957, and March 31, 1958, elections, they now work under a Progressive Conservative government. They should and must be loyal to their employers or be replaced by someone who will be loyal. I do not believe in mass firing but I insist on loyalty. This is only a natural expectation regardless of which party is in power. This is a matter which I hope is soon cleared up.

There is a general feeling of optimism in Waterloo South, one which should be encouraged all over the country. I get weekly reports from Mr. Robert Oliver, manager of our national employment office in Galt. Applications at this particular time for benefits are down approximately one-third from the number at the same date last year.

We have several new plants opening up soon. There are opening up this year two large plants which I am told led to believe will employ from 300 to 400 employees for the balance of this year and we are optimistic about that matter. As was mentioned here in this house the other day, it is true that one of our textile firms is moving to Jamaica. I am sorry to see them leave Canada, but the company's decision has already been made. They have not yet moved but the decision has been made and we wish them every success.

Mr. Speaker, it is unfortunate that at a time in our history when we should all be pulling together for the nation's welfare there are those who preach doom and disaster with every breath, for political purposes and hope of political gain. This conduct really burns me up. I am sorry that the hon. member for Bonavista-Twillingate (Mr. Pickersgill) is not in his seat. I will try not to be any tougher on him than he was on me when he spoke at a meeting in the riding of Waterloo South when I was not able to be there; I was not invited.

I listened to his speech last Friday night, and it really burned me up to hear the way in which he was spreading this propaganda to the nation. This type of propaganda is damaging to the whole nation. The Gallup polls show that the majority of people in Canada do not believe this type of trashy nonsense. The hon. member will likely live to see the day when he is obliged to swallow his own words. In my opinion, he should stick to his pet subject of codfish. He is more at home on that subject but I guess that owing to the shortage of codfish in Newfoundland waters this year he has had to change to other topics. However, let us be optimistic and hope that the cod will be back in large numbers soon, a situation which would greatly benefit Newfoundland and would make the hon. member for Bonavista-Twillingate extremely happy. Strangely enough, these two have a great deal in common. They are both all wet. They are slippery and have wary eyes, big mouths and tough skins. Both wiggle and jerk when they are caught and flounder around when they are out of their proper elements.

Mr. Speaker, I must say that the benefits to mankind provided by the codfish are much greater than are contributions made orally, over television or radio by the hon. member for Bonavista-Twillingate, even though cod liver oil is distasteful to some.

In conclusion, Mr. Speaker, may I say this. As this debate on such a wide range of subjects will conclude today, it is my earnest hope that all parties in this house will show a little bit more respect for one another and get on with the heavy agenda of legislation before us in the best interests of the nation.

Hon. Paul Martin (Essex East): Mr. Speaker, may I say to the hon. gentleman who has just taken his seat that we in this house can show no greater respect for one another and for this institution than by participating in frank and intelligent debate on the issues that confront the nation. No hon. member should seek to suggest that because we take opposite positions, we have on that account less respect for one another. On more occasions than one in this debate that point of

view has been expressed from the ministerial benches. In reply we have suggested that this represents an impatience which suggests that those who now occupy positions on your right, Mr. Speaker, are not fully appreciative of the obligations which, when they sat on this side of the chamber, they thought it was their privilege and indeed their duty to exercise.

Shortly we shall be voting on two motions, one the latest amendment put forward by the hon. gentlemen who sit immediately to your left, and the other the main motion introduced in this house on January 16 by the hon. member for Provencher (Mr. Jorgenson) and the hon. member for Montmagny-L'Islet (Mr. Fortin). The concluding paragraph of that motion reads as follows:

> May it please Your Excellency:
>
> We, Her Majesty's most dutiful and loyal subjects, the House of Commons of Canada, in parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both houses of parliament.

We shall, of course, support this motion addressed to the crown and put forward by the hon. member for Provencher and the hon. member for Montmagny-L'Islet. We sympathize with the amendment offered by the leader of the C.C.F. group but in the previous session of parliament, we took the position, and we will take it again this session, that we have too many committees, more than are necessary for the efficient conduct of our work. As the amendment calls for the establishment of another committee, it is contrary to our view as to what procedures we should adopt for the fulfillment of our work. But as I say, the general complaint of the amendment arouses our sympathetic interest. If an opportunity had been given him today under our rules, the Leader of the Opposition (Mr. Pearson) would have affirmed that it was his intention as a member of the external affairs committee to raise this particular question as the first item for consideration in the external affairs committee after it is set up during the present session of parliament.

Indeed, when the committee is established, the Leader of the Opposition and others on that committee representing this group will vigorously display an interest in this matter and put searching inquiries to the ministry with regard to this particular matter. As a matter of fact, anticipating the return from Washingon of the Minister of Justice (Mr. Fulton) before the orders of the day were called the Leader of the Opposition had intended to put the following question to him if he had returned in time to permit the question being submitted under our procedures. That question reads as follows, Mr. Speaker, and I suggest that the Minister of Justice may now take it as notice and possibly give a reply at the earliest opportunity, perhaps on Monday or, if time permits, even later this day. That question reads as follows:

> In view of the present conflict of jurisdiction between Canada and the United States, caused by the United States anti-trust laws being extended to affect Canadian incorporated companies doing business in Canada, is not the minister of the opinion that self-restraint on the part of the government of the United States in this matter has proven to be insufficient and that, at the very least, a formal bilateral agreement on this specific question is essential to protect our international and domestic legal and business position?

The hon. member for Assiniboia (Mr. Argue) may feel therefore that we have the greatest sympathy with him in connection with the question which he has raised in his second amendment. We feel the most effective way of dealing with this matter is to collaborate in the external affairs committee in a general discussion leading to a solution of this important problem for Canada.

In speaking at this time, Mr. Speaker, I should like at the outset to comment briefly on the observations made by at least two ministers with regard to one subject upon which one would hope there could be the widest measure of agreement, and in respect of which I am sure there is the widest support on all sides of the house. The Minister of Trade and Commerce (Mr. Churchill), in a rather vigorous and I think needlessly provocative statement, sought to give the house and the country the impression that the Leader of the Opposition was among those in this house who were not fully in support of the basic concepts underlying the character of the British commonwealth of nations. I regret that the hon. member for Greenwood (Mr. Macdonnell), the Minister without Portfolio in the government, in milder and perhaps more understandable terms, likewise took the position that those who sit in this group, by policies in the past and by statements in this house, revealed likewise less enthusiasm for the commonwealth than hon. members sitting opposite.

I wonder whether statements of that kind are capable of furthering the unity of the commonwealth? Does any hon. member in this house seriously believe that there is not the fullest appreciation of the value of the commonwealth on the part of every member in this house? I do not think anyone in this

house has had a greater opportunity of exhibiting his appreciation of the commonwealth, and thereby demonstrating his contributions to it, than the Leader of the Opposition, formerly the secretary of state for external affairs in our country. We will not forget that it was Prime Minister Macmillan, the first minister in Her Majesty's government in the United Kingdom, who, at the conclusion of the Bermuda prime ministers' conference in March, 1957, speaking of the Leader of the Opposition, said:

I think the service which he gave to us in finding good solutions and helping us at critical moments at the United Nations assembly was one of a most remarkable kind, and will always be remembered by us with gratitude.

If it was possible for the Prime Minister of Great Britain to utter these words in speaking of the Leader of the Opposition, it ought to be impossible for the Minister of Trade and Commerce to speak as he did in this context the other day.

We have growing evidence, of course, that the hon. gentlemen opposite now sitting on the ministerial benches and afforded the opportunity of more intimate collaboration with the leaders of governments all over the commonwealth, are beginning to realize the evolutionary character of the commonwealth, not only in terms of its European, North American and Australasian affiliations but in terms of its affiliations in Asia, of Ceylon, with India, Pakistan and Ghana in Africa. Indeed, the hon. member for Greenwood told us himself how moved he was by the realization that the commonwealth had grown in stature and in national numerical strength, as he observed at the recent commonwealth conference held in Montreal in the month of September.

It should not be forgotten that when our Prime Minister was visiting in India, the prime minister of that country attested to the contribution made by the former Canadian prime minister and leader of the Liberal party, who he said, had contributed to the commonwealth's unity by putting forward a valuable formula for unity at one of the most critical periods in recent history. I have before me a copy of an article which appeared on December 17 in *Le Droit,* an Ottawa newspaper. Here is what it says:

(Translation):

During the visit to India of Mr. Diefenbaker, Prime Minister of Canada, Mr. Nehru let it be known that it was a Canadian prime minister, Mr. Louis St. Laurent, who had found the formula which had enabled India, while becoming a republic, to continue as a member of the commonwealth under the Westminster Statutes. It was the first time, added Mr. Nehru, that he had revealed Mr. St. Laurent's intervention. The secret had been well kept. Canadians are happy to learn of the part Mr. St. Laurent played in the planning of this formula.

(Text):

Need I say any more on this subject in the light of these words of the distinguished Indian statesman, the prime minister of India, uttered while our present Prime Minister was visiting that great Asian land last autumn? The prime minister of India took advantage of the opportunity to point out that but for the intervention of the former prime minister, Mr. St. Laurent, certain developments would have taken place which, from the point of view of the unity of the commonwealth, would have indeed been disturbing. I would hope that members of the government at least would be the last to try to give the impression that we are not fully united in this house in our appreciation of the commonwealth of free independent nations under the crown, serving the purposes of that commonwealth and the purposes of peace in the world.

The other day the Minister of Justice referred to certain "so-called gross statistical miscalculations" when he mentioned the effect of the increase in the cost of living on the old age pension which were made by the Leader of the Opposition. He estimated that the miscalculation was 1,000 per cent, and that the effect of the increase in the cost of living on the old age pension was 23 cents, while the Leader of the Opposition had calculated the loss at nearly $2. Let us see where the truth in this matter lies. According to the dominion bureau of statistics figures—

Mr. Pallett: Are you going to make the truth lie now?

Mr. Martin (Essex East): —the consumer price index stood at 121.9 in 1957 as a whole and for July, 1957. In December, 1958 the official index was estimated at 126.2. This represents an increase of 3.5 per cent. In order to know what has been the effect of the increase in the cost of living on the old age pension under the Conservative government, the increase in the cost of living of 3.5 per cent has to be applied to the total amount of the pension, that is $55 per month, not only to the increase of $9 granted by the Conservative government.

If the Minister of Justice makes the calculation, he will find that old age pensions have declined, in real terms or in terms of purchasing power, by an amount of $1.92, which corresponds to what the Leader of the Opposition stated when he said that the old age pensioners have lost about $2.

Then the Minister of Justice went on to say, as reported at page 386 of *Hansard,* that the Leader of the Opposition had been quoted by the Toronto *Telegram* as repeating this assertion about a billion dollar deficit whereas,

in fact, the deficit would be in the neighbourhood of $700 million as previously announced by the Minister of Finance (Mr. Fleming). Now it is true that the Minister of Finance did say on January 5 that the current budgetary deficit would be approximately $700 million. However, in order to arrive at this figure, the Minister of Finance, as that hon. gentleman would be the first to admit, resorted to a purely accounting device and reduced current budgetary expenditures by an amount of approximately $200 million from the national defence equipment account which is this year being eliminated. In fact, taking the minister's own figures, the estimate of actual budgetary expenditure for the year 1958-59 is $5.5 billion, which brings the budgetary deficit for the current year, according to the minister's own calculations, to $900 million. Again, I want to emphasize that this is a conservative estimate. But even as such it is much closer to the figure used by the Leader of the Opposition than to the figure mentioned by the Minister of Justice. So, in so far as those two statements by the Minister of Justice are concerned, they are without foundation, as are so many other statements from him and his colleagues.

Now the Minister of Justice made several references to my alleged figures and I should now like to deal with this briefly. In the first place, I readily admit that I made a slight arithmetical error in calculating the average level of the consumer price index for 1958. The figure I gave in the house was 125.9 while the correct figure is 125.1. As a consequence of this so-called gross miscalculation, I said that the increase in the cost of living had been 3.2 per cent in 1958 as compared with 1957, whereas it should have been 2.6 per cent. I want to point out, however, to the Minister of Justice that this slight error does not in any way alter the substance of the point I made. I will come back to this later on.

The Minister of Justice was also agitated by two statements which I made on the basis of D.B.S. figures which appeared in *Hansard* as if they were direct quotations from a D.B.S. publication. Of course I am not responsible for that. The point is my two statements were made on the basis of D.B.S. figures and these cannot be contradicted by hon. gentlemen opposite. Where there was a direct quotation the page number was given; I commented and then I indicated that my authority was either the D.B.S. daily bulletin or the D.B.S. national accounting report. Thus, the Minister of Justice, though he did engage in some skilful debating, really did not make any serious answer whatsoever to the real point at issue.

[Mr. Martin (Essex East).]

What is the real point at issue, Mr. Speaker, because I want to deal with it. The real point at issue concerns the words of the Prime Minister. The Prime Minister said in the course of his speech, in the only statistical or economic account given of the state of the nation in answer to the indictment made by the Leader of the Opposition, that "in the year just ended, Canadians worked more, earned more, spent more and saved more than in any comparable year in the history of this country."

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): Hon. gentlemen applaud. I repeat: that statement made by the Prime Minister is wholly inaccurate. I still say so, and the statistics are there to show it. They are now on record in *Hansard* and I invite any hon. member to controvert them or my conclusions. Those figures did show that Canadians worked less in 1958 than in 1957 and that, in real terms or in terms of purchasing power, Canadians earned less and spent less in 1958 than in 1957. And again I challenge any member opposite to prove that this is not the case.

I had pointed out that the real national income on a per capita basis declined by 2.3 per cent and that Canadians earned less in 1958 than in 1957. I say to hon. gentlemen opposite that this statement cannot be challenged, and I repeat again that the gross national expenditure on a per capita basis declined by 2.3 per cent so that in real terms Canadians spent less in 1958 than in 1957. I again challenge hon. gentlemen opposite to prove on the basis of the statistics issued by the department of government officially responsible for them that this is not the situation.

I realize that there could be an endless argument on this matter of statistics, but whether the opposition accepts our statistics or not, the fact remains that we face serious problems in this country which this government is not confronting. As Sir Wilfrid Laurier stated in a speech in this house in 1890, "You do not have to look up figures to find out whether you are prosperous; you will know by feeling in your pockets." That is the situation in Canada. There are thousands of people who by the feel of their pockets know what is the economic situation of this country even though the government is seemingly unwilling to meet the situation.

In looking over *Hansard* I have only found one hon. member sitting on the Conservative benches who seemed to have acknowledged that there is a serious problem, and that is the hon. member for York Centre (Mr. Stinson), who in a very worthy speech in this

house, sitting opposite the Prime Minister as one of his supporters, courageously said:

> Equally disturbing is the problem of inflation, recognized as a basic danger to the health of our economy by every responsible leader in business and the trade union movement.

That is an honest statement, and a statement which is being repeated by bank presidents all over the country.

I regret very much that the hon. member for Rosedale (Mr. Walker) took issue, by implication, with what I have said and with what is being said by everyone in this country, by suggesting that there is no serious problem of inflation and that its dangers have been greatly exaggerated. We have the statement of the president of the Canada Life Assurance Company of January 29, in which he says at page 19:

> The inflation with which we are threatened today is unlike any which has been heretofore encountered. Historically, inflation has resulted from "too many dollars chasing too few goods." No such cause exists today. The cause which does exist and which is giving grave concern that inflation may break loose is an even more powerful one—it is entirely psychological. Too many people believe that inflation is inevitable. This false assumption leads in turn to actions by individuals and government which, if continued, will result in inflation and the consequent defeat of our responsible enterprise system.

Yet in the face of such statements as this, ministers opposite and private members supporting the government seem to indicate in their speeches that there is no problem in this particular, or that we have grossly exaggerated the level of unemployment in this country. The real fact is that this government since this debate began has converted itself into an opposition to the opposition. That is what this government has done. It has not addressed itself to the real problems which concern us.

It is to be regretted that the government did not accept the proposal of the Leader of the Opposition that this debate should be interrupted in order that the government might be given the opportunity to demonstrate that it has a legislative program capable of mitigating unemployment and the other situations confronting this country.

That was not an unusual request. There is a good precedent for that and that precedent was given in this house at this very juncture in our proceedings in the last session when the government adjourned the debate to give the Minister of Public Works (Mr. Green) an opportunity of coming forward with his housing legislation, legislation which he said was designed to correct the serious problem of unemployment which then in 1958 confronted the country. If that was the case, why was that not done this session? It was not done this session because the legislation was not ready when the request was made.

Mr. Fleming (Eglinton): That is not true. You know it is not true and therefore you should not make that statement.

Mr. Martin (Essex East): My hon. friend says, "that is not true". If the legislation is ready, then let this government bring it in at the earliest opportunity so that we can see what it is and find out whether or not it is going to correct the severity of existing unemployment in our country. But let no hon. member of this house think that if the legislation the government has in mind is merely in the form of some amendments to the Unemployment Insurance Act that that is going to correct the unemployment problem in Canada. If that is all the government has and if that is what the Minister of Finance means when he says that it is ready, then I suggest to hon. gentlemen in this house we are not going to find this government taking any corrective measure that is going to reduce unemployment which now faces so many thousands of Canadian workers and their dependents from one end of Canada to the other as government members promised they would do in the election campaign.

Mr. Charlton: What do you suggest?

Mr. Martin (Essex East): One thing my friend the hon. Minister of Finance might do is carry out the recommendation of the hon. member for Essex West (Mr. Spencer) eliminating the excise tax on automobiles and thus giving employment to additional thousands of automobile workers.

Mr. Fleming (Eglinton): Is that your only suggestion?

Mr. Pickersgill: What would you suggest?

Mr. Martin (Essex East): All my hon. friends opposite are able to do is ask us for suggestions. They urged the people of Canada to elect them and said they would solve all these problems but the moment they were elected and confronted with challenges to produce their plans and programs they say "What would you do?"

I say to hon. gentlemen opposite that they were elected to tell us and to tell this country what the solutions are which they told the people they had in their hands. This is their opportunity to bring forward these solutions. I said that amendments to the Unemployment Insurance Act would not provide employment. Possibly we shall find that it is worthwhile legislation—we do not know—but if it assists men who are out of work in providing for their dependents, all well and good. However, let it not be thought that that kind of legislation is designed to meet unemployment.

I regret that the Minister of Finance, the man who more than any other individual in this country has the responsibility of giving leadership in the matter of inflation and in the face of the great disquietude existing on the part of Canadians at the present time, has not taken advantage of the opportunity in this debate of stating the situation as he sees it in his capacity of Minister of Finance. That is a responsibility which is owed to this house as much as to the Canadian Club in the city of Toronto.

Mr. Fleming (Eglinton): Did the hon. gentleman himself not address the Empire Club in Toronto last week?

Mr. Pearson: But he is not the minister of finance.

Mr. Martin (Essex East): Everyone, including bank presidents and the officials of large corporations, is complaining about the policies of this government and they are posing challenging questions in relation to unemployment and inflation but the Minister of Finance refuses to answer.

Mr. Fleming (Eglinton): What questions have I refused to answer?

Mr. Martin (Essex East): We know what the questions are. Let the hon. gentleman rise in his seat after I have spoken and answer the questions put to him by the Leader of the Opposition who in speaking in this house on January 19 last as reported at page 41 of *Hansard* said:

> The responsibility of the government, however, is not limited to the presentation of a proper and serious appraisal of present economic conditions. That is only part of its responsibility. We are also entitled to get an authoritative statement on the broad policy principles that the government intends to apply in order to achieve a greater degree of economic stability.

Then the Leader of the Opposition went on to say:

> Surely this is the time for him—

—the Prime Minister.

> —to put his vision to work. Labour leaders, the financial community, businessmen and the whole Canadian people have the right to expect from him, and now, a formal declaration on employment and prices. What are the major objectives that he and his government are trying to achieve in the field of economic stability? Are they in favour of full employment? Are they determined to preserve the value of our dollar, not only in some distant future but now? How does the Prime Minister intend to achieve those objectives? Is he still in favour of increasing long term government expenditures in order to fight unemployment? What has he in mind to restore the confidence of the public in the value of government bonds? Is he prepared when inflationary pressures are threatening to accept monetary and credit restrictions, higher interest rates, budgetary surpluses and higher taxation?

[Mr. Martin (Essex East).]

Those are questions asked by the Leader of the Opposition and asked by the great majority of the people of Canada at the present time. What did the Minister of Finance do? He made a speech to the Canadian Club in Toronto and told the people of Canada that the responsibility for correcting this situation did not lie with the government—

Mr. Fleming (Eglinton): I did not say that.

Mr. Martin (Essex East): —but it lies with those in all walks of life.

Mr. Fleming (Eglinton): It applies to everybody; you, too.

Mr. Martin (Essex East): I say to the Minister of Finance that he has the responsibility as Minister of Finance and the government of which he is a member has the duty to give to this house and the people of Canada an answer to these questions. If the hon. gentleman refuses to do so, he will warrant the indictment of a government—

Mr. Fleming (Eglinton): Br-r-r-r.

Mr. Martin (Essex East): —that has been and is confused, one that has not given evidence of its capacity to govern this country. That is the judgment of the Canadian people at this time, I am sure.

Hon. gentlemen opposite will be able to count on the great majority that sits behind them, of course. I know what the Prime Minister's answer will be, "My answer to what has been said by the opposition will be reflected in the vote on the various measures that will be put before the house". I say to the Prime Minister and to the Minister of Finance, in the paraphrased language of the Minister of Justice, that you cannot determine the quality of government policy by the number of men who sit behind a government and who realize that their own fate is involved in the successful outcome of a vote.

Mr. Fulton: Look at the Gallup poll, for instance.

Mr. Pickersgill: Oh, look at the poll in Trinity.

Mr. Martin (Essex East): Let the government at this very late date face up to its responsibilities in a manner consistent with the brave words it used prior to coming into office in urging the people of Canada to give it the opportunity of governing a nation which regretfully at this time it is not doing.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am rising with the greater pleasure now because of the warm invitation extended to me by my friend the hon. member for Essex East (Mr. Martin) in his closing peroration. I can assure him,

however, that his invitation was not the deciding factor. I had come into the chamber some minutes ago for the purpose of speaking so that while his invitation is accepted, nevertheless it was not the occasion of my intervening in this debate.

I thank the hon. member for the attention he has paid to some remarks I made before the Canadian Club at Toronto earlier this month before the session of parliament began and while that seems to be a subject for condemnation in my case I have not forgotten that this same hon. gentleman delivered an address to the Empire Club at Toronto just a few days ago while parliament was in session. But apparently that is accounted unto him for virtue and righteousness; there is the difference.

Within the matter of a few minutes now we shall be proceeding to the final vote on the address that now has been under debate for two weeks. I suppose it is not unnatural that one should turn now in retrospect to what have been the features of this debate in the two weeks that are closing today.

Some things certainly have been brought into sharp focus in this debate.

There was, of course, as the opposition had made it clear to the press beforehand, to be a sharp attack on the government. The government was to be put upon the defensive, a sentence of judgment was to be pronounced on the government. Well, what on earth has happened? The attack has misfired. The opposition has been placed on the defensive. The hon. member for Essex East now tells us that we of the government did not confine ourselves to defence. Mr. Speaker, why should we? There was not any attack here that amounted to anything that was worth defending. Yes, it is very true, the hon. member for Essex East has seized upon this one feature of the debate correctly, for he has missed all the others. It is he and his colleagues who have been placed on the defensive throughout this debate. Now, that it is not altogether the government's fault; it is not a fact entirely attributable to the government. Do members of the opposition stop to realize that to a considerable extent they have been placed upon the defensive by themselves in the way in which they have approached their responsibilities in this house.

So far as a judgment being meted out or imposed on anyone is concerned, the judgment that is about to find its final expression in this house this afternoon in a vote is a judgment imposed upon the opposition for its failures.

Let me make it abundantly clear, Mr. Speaker, that we welcome criticism as long as it be informed and factually based. Any government ought to be able at all times to meet that kind of criticism and defend its record.

What is the purpose of the throne speech debate? Why, through long-hallowed tradition, do we have a government program laid before parliament at the opening of a session and why then before the house launches into consideration of the measures in detail do we have a general debate? Mr. Speaker, as I understand the purpose of this time-honoured parliamentary institution, it is to give all members of the house, regardless of what party they subscribe to, an opportunity to make comment upon that program. And if the comment is sound, if the criticism is sound, there is still time to shape government legislation in the light of the sound criticism. In that respect, if the throne speech debate is put to that use it can serve a worthy purpose in our parliamentary institution.

But let us examine what has been the record of contributions to that worthy purpose served by this attack on the part of the opposition. We are waiting yet to have one clear, constructive expression of an idea from the opposition. The first one has yet to be put forward by them. We would welcome their ideas. Any constructive proposal that is good for Canada that they think ought to be put into legislative effect at this session we would welcome, we would indeed; but, Mr. Speaker, if we had any hopes of that kind of approach certainly we would have been disappointed long before this.

What has been the guiding view of the opposition of its role in this debate? I suppose the editorial columns of the local Liberal paper, dated January 21, must have given the lead to the opposition in this respect. It concluded an editorial with these words:

> It is not the opposition's function to offer suggestions but rather to criticize and oppose and to be ready at the first opportunity to take over the task of governing the country.

I do not wish to speak over-confidently, Mr. Speaker, but I do suggest in all earnestness to hon. members opposite that they are not going to have the opportunity to take over the governing of the country unless they do a little more than they have been doing in this session in merely criticizing and opposing.

Against that conception of the role of the opposition let me put these words of Sir Charles Tupper on the record, words that that great man, one of the fathers of confederation and prime minister of Canada for a time, uttered when he retired from parliament and from public life. In his letter to the party, of which he had been such a distinguished member, on January 17, 1901

he summed up the role of opposition in these words. And bear in mind, Mr. Speaker, that the party of which he was then a member and was then addressing was in opposition and had been in opposition for five years. He said:

> The duty of Her Majesty's loyal opposition is to exercise its vast influence in restraining a tendency to pernicious legislation, and to give a loyal support to proposals of the government which commend themselves as in the interests of the country, while initiating itself such measures for the commonweal as are neglected by the administration.

Mr. Martin (Essex East): Where are these words taken from?

Mr. Fleming (Eglinton): From Sir Charles Tupper in 1901.

Mr. Martin (Essex East): Is that Mr. Knowles' speech?

Mr. Fleming (Eglinton): I am reading the words of Sir Charles Tupper.

Mr. Martin (Essex East): That is Knowles' speech to the Empire Club a year ago.

Mr. Pickersgill: Can the minister suggest where we can find them?

Mr. Fleming (Eglinton): They are the words of Sir Charles Tupper. I have told my hon. friend where the words were taken from. Perhaps he will desist from his silly interruptions.

Mr. Pearson: Mr. Speaker, on a point of order; the minister is reading from a document. I think he should identify the document.

Mr. Fleming (Eglinton): I read from the letter written by Sir Charles Tupper to the party in 1901.

Mr. Martin (Essex East): Mr. Speaker, on a point of order—

Mr. Fleming (Eglinton): There has been in this house throughout this debate—

Mr. Speaker: Order. Is the hon. member rising on a point of order?

Mr. Martin (Essex East): I point out that under the rules of the house if an hon. gentleman reads from a document he has to identify that document. The document has not been identified by the Minister of Finance. He has said it comes from a letter, but a letter contained in a book. We saw the book. We know the book, and under the rules of this house the Minister of Finance must identify that authority. He must tell us what he has before him. Is the letter not taken from the speech made by Mr. Stanley Knowles in Toronto?

Mr. Speaker: It is quite true that if a member quotes from a document he is obliged to give the house possession of the document, if it asks for it, or at least identify it. I daresay the minister will identify what he has quoted from.

Mr. Fleming (Eglinton): I did. I was reading from a letter written by Sir Charles Tupper in 1901. The hon. member wants to go further and say, "Well, was that letter printed in a secondary document?" Yes, it has been and it has been printed in a good many secondary documents, and I hope the hon. member will acquaint himself with the purport of this letter and profit thereby.

Mr. Speaker: I am not sure that the minister has satisfied the point. The point is, if a member quotes from a document he should describe it sufficiently so that other members can verify the quotation. Now, if the minister can say where it is available—

Mr. Fleming (Eglinton): It is available in the library, Mr. Speaker, in a number of places. The copy I have here happens to be a quotation in a speech made by a former member of this house, but it is available to members at any time in the library and in many sources.

Mr. Speaker: I am sorry; if the minister could identify the speech and where it could be read we would be pleased to have the reference.

Mr. Fleming (Eglinton): The document is in the library; it is P.M. 61284,K56,1957, C.T. That is the parliamentary reference.

Mr. Pickersgill: Mr. Speaker, on a point of order, surely this is an outrageous attack on the ordinary rights of members of parliament. The Minister of Finance has a document in his hand—

Mr. Fleming (Eglinton): No, I have not.

Mr. Pickersgill: —which was published by someone and which must have the name of the publisher and the name of the author upon it. Since he has quoted from it, under the rules of this house the rest of us are entitled to know what that document is, and not by a library reference.

Mr. Speaker: I understood the minister to have identified the document sufficiently now so that it can be found in the library. It seems to me that should satisfy the requirements of the house.

Mr. Fleming (Eglinton): What is outrageous here is the type of intervention we are having from hon. members opposite and their utter failure to profit by the words of wisdom of Sir Charles Tupper in times past. I ask the house to have regard to what the opposition has been doing in this debate. They have been gathering together, raking up—

Mr. Pickersgill: Bits of letters.

Mr. Fleming (Eglinton): —repeating, restating, multiplying, embellishing, exaggerating everything that they can lay their hands on which by any stretch of the imagination appears to be disadvantageous to the government and—here is the sad part of it, Mr. Speaker—often with scant regard for a balanced approach to the facts of the situation and much less indeed for the effect on Canada's interests at home and abroad of the things that they have been saying in the house. This is the essence of irresponsibility Mr. Speaker.

I believe, as I think practically every member of the house does, in the two-party system, and that two-party system means that we believe that in the house there is a place, and a very important one, for an active and responsible opposition. We hope that we will have in the house and that Canada will have the benefit of something more effective and something much more responsible on the part of the opposition than they have exhibited thus far in the session.

Questions have arisen. They have raised many questions. They have stirred up a good deal of dust. They have muddied many waters. But never with respect to any of the questions on which they have spoken have they deigned to tell the house what is their position on these important public issues. We are left to guess.

Mr. Pickersgill: What is yours?

Mr. Fleming (Eglinton): But they have not expressed any positive opinions. I think the striking example occurred during the speech of the Leader of the Opposition (Mr. Pearson) a week ago last Monday. He berated my colleague, the Minister of Trade and Commerce (Mr. Churchill) because on a television program he had been asked a question as to which was the more serious problem for Canada this year, inflation or unemployment. I ventured in my innocence to put the same question to the Leader of the Opposition, the man who had berated my colleague in relation to the same matter. Did I receive an answer? Oh, no.

Mr. Pickersgill: Oh, yes, you did.

Mr. Fleming (Eglinton): The very asking of the question was contemptuously rejected, so we do not know—

Mr. Pearson: On a point of order, Mr. Speaker—

Mr. Fleming (Eglinton): —which in the view of the Leader of the Opposition is the more serious danger to Canada this year?

Mr. Pearson: On a point of order, Mr. Speaker, the minister has brought my name into the discussion in a particular respect. He asked a question, as found on page 42 of *Hansard*, column one, as to which was the more serious. I gave him an answer. If he would like to read it I would be glad to listen. Otherwise I will be glad to read it.

Mr. Fleming (Eglinton): Go ahead.

An hon. Member: That is not a point of order.

Mr. Fleming (Eglinton): That is not a point of order at all.

Mr. Speaker: I understand that the Leader of the Opposition is rising on a point of order. I will be glad if he will state it.

Mr. Pearson: My point of order is that the minister said that he asked me a question to which I did not reply. I took advantage of the first opportunity to inform the house that the reply will be found on page 42.

Mr. Fleming (Eglinton): Mr. Speaker, the hon. gentleman, who has just intervened in breach of the rules of the house ran away from the question. He skated miles away from it, and we are still left to wonder at the end of two weeks of debate as to what is the view of the opposition with respect to which is the more serious of these two problems which have been discussed at some length in the house, inflation or unemployment.

Mr. Martin (Essex East): What is your view?

Mr. Pickersgill: What is your view?

Mr. Fleming (Eglinton): You will scan the words of the Leader of the Opposition in vain for any indication of his view as to which is the more serious.

Mr. Pearson: Would the minister like me to answer that question?

Mr. Fleming (Eglinton): Mr. Speaker, I hope I will have some time allowed for these interruptions which are in breach of the rules of the house. I shall be glad to take questions but I have some ground to cover and I will have to ask for additional time.

Mr. Pearson: My question was: Would the minister like me to answer the question he addressed to me?

Mr. Fleming (Eglinton): I have stated the terms. If the Leader of the Opposition does not like it—

Mr. Pickersgill: You will not allow him to answer.

Mr. Speaker: Order. Unless the member who has the floor yields I do not think that members should press their questions because under the rules I cannot allow additional time if a member does yield and gives some of his time for the purpose of questions.

Mr. Fleming (Eglinton): The Leader of the Opposition is quoted in a Canadian Press dispatch which appeared in the Ottawa *Journal* of January 26 as having said in a speech in Montreal:

> We are tired of being asked by the government side what we would do.

They may be tired, Mr. Speaker, but the Canadian people would like to know—

Mr. Pickersgill: What the government is going to do.

Mr. Fleming (Eglinton): —what the opposition has to say, what they have to propose.

That is not the only feature of the opposition's participation in this debate. The other feature of their participation has been the gloom that they have sought to spread. The picture that they have painted of Canada in this debate has been unworthy of any political party in Canada. It has been a picture of despair. What would be the effect of this propagandizing effort on those who might be unaware of the facts? They are not going to fool many Canadians by this kind of talk. I suppose it might be taken seriously abroad where the facts are not known. The hon. member for Essex East was harping on the same old subject this afternoon, trying to create the impression that there is a crisis in Canada. The only crisis that exists, Mr. Speaker, is in the ranks of the opposition in this house.

Mr. Robichaud: What about unemployment? Is it not a crisis?

Mr. Fleming (Eglinton): The hon. vocal member who has just interrupted could be better employed at doing something useful in the house than the way he employs himself here many times.

Mr. Robichaud: Is there not a crisis with respect to unemployment? Answer that one.

Mr. Fleming (Eglinton): I have to make an exception to what I said earlier. I have to make an exception to my statement that the opposition had not indicated any position on public issues. The Liberal opposition have indicated that they are believers now in social and economic planning. They have shown that, and in a hair-splitting performance the Leader of the Opposition, in trying to put his party straight on that issue in the house on Monday night, put on an extraordinary demonstration of sleight-of-hand. Anybody who can follow him on that will, I think, acclaim him to be the logical successor to Blackstone.

Mr. Martin (Essex East): Blackstone is a great legal authority.

Mr. Fleming (Eglinton): Not the Blackstone I am talking about. In listening to that speech, Mr. Speaker, did you not recall the remarks of the Liberal leader in the province of Ontario about 25 years ago when he said, "I swing well to the left?"

Mr. Martin (Essex East): You are swinging.

Mr. Fleming (Eglinton): Now that the Liberal party has been put by its leader and by its unanimous vote in the house the other night among the ranks of the social and economic planners, then indeed they might as well echo those famous words of the late Mitchell F. Hepburn because evidently they have swung well to the left. Social and economic planning to anybody who is not just indulging in hair-splitting and sophistry has a well understood significance. It means socialism. It means planning from the top and that, Mr. Speaker, as hon. members know, means regimentation.

An hon. Member: Oh, oh!

Mr. Fleming (Eglinton): Yes, Mr. Speaker, there is the C.C.F. ally of the Leader of the Opposition coming to his rescue, and how he needs rescue!

I propose to speak now about one of the problems which has been discussed in the course of this debate. We have heard a good deal about the problem of inflation and here is a place where, if the opposition had done its duty, it could have given a real service in this session. How have they read the difficult signs of the times? No one who is acquainted with the facts will deny that we have in the economy today, not just in Canada but in the economy of North America, not to mention other countries, a co-existence of forces that are certainly in conflict with one another. There are forces at work in the economy that are classed by nature as deflationary. There are others co-existing with them that can only be classed as inflationary. How does the opposition read them? It would have been of interest and assistance to know, but we shall never know.

There have been many diagnoses of this situation. But, I put one before you from an extremely competent source. These are remarks that were uttered in Cincinnati on January 17 by Mr. Lambert, general manager of the Toronto-Dominion bank. I am quoting now from the press release of Mr. Lambert's speech. I have it in my hand as hon. members will see.

Mr. Martin (Essex East): Thank you.

Mr. Fleming (Eglinton): I read from the press release as follows:

A Canadian banker has stated to a group of U.S. businessmen that traditional methods of monetary control in dealing with the current trend in rising prices is more likely to result in increased unemployment than end the price rise.

Allen T. Lambert, vice-president and general manager of the Toronto-Dominion bank speaking to the Commercial Club of Cincinnati, said that if today's rising prices were a form of inflation, it was of a nature more subtly based than anything experienced before and as such would require "equally subtle handling".

"It is not very helpful to describe the government deficit in Canada as inflationary at the present time," said Mr. Lambert, "though it is possibly not premature to talk of balancing the budget and it would certainly be a great boost to morale if we could be assured that we would see the budget not only balanced but actually put into surplus at the appropriate state of business recovery."

Tight money now, the speaker continued, would discourage business expansion without bringing any material lessening on the upward pressure on prices.

Then he proceeds to discuss various forms of restraint. It is quite clear that there is no condemnation in that view of the approach of the government to this problem. Indeed, the approach of the government has been based upon a recognition of the co-existence of these two factors in the economy, namely unemployment which is normally associated with a deflationary situation and the inflation to which I have referred.

The government takes and has taken a serious view of the inflationary forces at work in the economy. I have tried to describe them in rather strong terms at times because inflation is a thief and an extremely sly one. I have said that the government welcomes the evidence of concern on the part of the Canadian people over this danger of inflation because when the people become concerned about it the hand of parliament is strengthened in addressing itself to measures to combat it.

But, Mr. Speaker, there are two observations I mean to make. The first is that this danger is not new and the second is that what exists today is not overt inflation. Certainly any conclusion that there is overt inflation is not justified by the facts. What is existent today and what all of us in this chamber must take account of is the fear of inflation and such factors in the situation as have given rise to that fear in so far as it is a legitimate fear.

No one is going to do a service to Canada in the situation by simply playing on that fear. Surely what we require is a calm, realistic, unflinching grasp of the facts. That is the first requirement. The facts of this situation today can only be fairly appreciated and judged in the light of the trends that have occurred in the past. When our friends opposite have been ringing the changes in this debate and, whether they intended to do so or not, have been following courses that cannot have any other effect than to increase the fear without making any constructive contribution whatever to meeting the problem, I say that they should be the last ones to accuse the government of responsibility for inflation.

Mr. Speaker, time does not permit today a review of the statistics but I cannot forebear from asking the house to consider just several of them in passing. The consumer price index is normally treated as the readiest indicator of price trends as they affect the average citizen. In 1935, when the Liberal government came into office, the adjusted consumer price index at the latest reading 60. When the Liberal government went out of office in June 1957 the consumer price index stood at 121.6. It had doubled in those years of Liberal administration. Today the consumer price index at the latest reading stands at 126.2. We do not take any joy out of the fact that in the past 19 months there has been a rise. But, Mr. Speaker, we ask those who wish to form a fair judgment as to where responsibility lies, to put those two facts side by side and to ask themselves what gave rise to the danger of inflation and where the principal responsibility lies.

We heard a great deal about the deficit. If this deficit is not going to be a billion dollars this year, it will not be for lack of effort on the part of opposition spokesmen, because these expressions have just been rippling off the ends of their tongues ever since last summer, whether in this house or outside of it. They have spoken of the "billion dollar deficit". The Leader of the Opposition has used that expression at various times, holding out the idea that this deficit might be even more than a billion dollars. He was not satisfied to deal with the facts. He was not satisfied to say that the government's best estimate was $700 million and that they would wait and see how the estimate stacks up against the facts when the report is available at the end of the fiscal year. No; he is not satisfied to do that. He goes out and he makes it a billion dollar deficit and in doing so he creates, as far as his voice can be heard, all the bad and harmful effects to Canadian credit and to the Canadian economy that would be done to it if that budget deficit were in fact a billion dollars.

I put the same judgment of irresponsibility on every member of the opposition who has talked in this same vein. The fact is that if I were estimating the budget deficit today I would not have cause to depart very far

from the estimate I gave this house on June 17 last year. I do not belittle the deficit. I do not belittle its effects. But let us stick to the facts and let us not have the kind of invention that has been practised on this estimated deficit at the hands of members of the opposition.

Mr. Speaker, they have talked about this deficit as though it were the only deficit that had ever occurred. I do not suppose anybody will take great joy out of the fact that there have been a great many more deficits than surpluses in Canadian federal history. However, I think it is a fact that we must bear in mind if we would have a fair, just and balanced understanding of the present deficit and its relationship to the economy and to Canadian history.

In the years that have passed since confederation, the 92 years for which we have the full figures, there have been deficits in 68 of those years and surpluses in just 24 of them. If we come down to the most recent times, you will remember that there were deficits in 1955 and in 1956; that there was a surplus in 1957, and that there was a small deficit in 1958.

Hon. members opposite talk as though this budget deficit had no peer in Canadian history. Again, Mr. Speaker, we make no attempt to disguise the fact that this is the largest peacetime budget deficit in Canadian history, being an estimated $700 million. But, Mr. Speaker, let us compare this deficit—and I am comparing it in terms of size—with the deficits that were necessarily incurred in world war II. They were as follows: 1943, $2,138 million; 1944, $2,557 million; 1945, $2,558 million; 1946, $2,123 million.

An hon. Member: There was a war on.

Mr. Fleming: I cite these facts not because it was improper that there should be budget deficits at that time—it was inevitable that there should be—but to restore something of a sense of balance in comparison in the interests of fair, reasoned and balanced judgment.

When we report a monthly surplus, as we did in the month of December, do we receive any credit for that from the opposition? No, we do not. The fact is that in December, on the accounts of the month, we did report a surplus, but what does the local Liberal paper say about it? Is there any mention of that fact? Oh, no, here is how the headline of January 24 in that paper reads: "Federal deficit figures growing". This headline is untrue. The deficit, as it existed on November 30, was reduced by the surplus reported in the month of December. We did not receive any credit for that, but that does not matter. We are not asking for credit, but we are asking, on the part of hon. members opposite and from the press which is like-minded a little sense of responsibility in relation to the credit and good name of this country.

Then they talked about the surplus that was earned in the fiscal year before they went out of office. Hon. members will remember running into this Liberal question up and down the hustings, what became of the surplus that they amassed in the fiscal year ended March 31, 1957? What became of the surplus? Here is what became of the surplus. A surplus is a matter of accounting. It does not necessarily tally precisely with the cash balance on hand at the end of the year. In this particular case it is interesting to see what became of the surplus. There was, for the fiscal year 1956-57 a surplus of $258 million. This was on March 31 and the old government went out of office on June 21 following, three months later. In those three months the old government disbursed $588 million in non-budgetary transactions. These included payment at the beginning of April of $100 million to the Canada Council; redemption of Canada savings bonds to the amount of $126 million; payment on June 15 at maturity of an issue of bonds totalling $150 million, and disbursements by way of loans, advances, pension accounts and other non-budgetary transactions amounting to $212 million net. So, you see, Mr. Speaker, these outlays on non-budgetary transactions were much more than enough to use up that surplus, indeed to do so about twice over. They were, of course, taking in other revenues at the time and making other outlays, but the fact is that that is where this surplus went at that time.

You will see, therefore, that the surplus for 1956-57 on hand at March 31, 1957 was entirely used, along with hundreds of millions of other dollars in cash, to discharge the obligations of the old government on and after April 1, 1957. The old government disbursed it all. Two payments alone by the old government absorbed the surplus in full, namely the payment to the Canada Council and the redemption on June 15 of the maturing issue of bonds. These were proper payments in the discharge of obligations created with parliamentary authority. However, the point is that the surplus from the year 1956-57 was used by the old government in the fiscal year 1957-58 before it went out of office and it drew heavily as well on other cash funds carried over into 1957-58 from 1956-57 before it went out of office.

Mr. Pickersgill: Will the minister permit a question?

Mr. Fleming (Eglinton): I have not the time now, but I shall be glad to answer questions at the conclusion of my remarks if hon. members wish.

We have heard references on the part of hon. members opposite to the high cost economy. I hope no one is going to suggest that I have not done all I can to warn all sections of the Canadian people against the dangers of developing here in Canada a high cost economy. A country that is dependent to the extent that we are on export markets is the kind of country to which the danger of becoming a high cost economy is very serious indeed. I can only repeat the things that I have said before in this regard in calling upon all sections of the Canadian people, whether they are employers, employees or self-employed, and whether they are members of this house who support the government or members in the opposition, to have regard for these dangers. Let us all see that we take advantage of the opportunities given to us to warn the Canadian people against the dangers of a high cost economy.

Mention was made in the speech of the Leader of the Opposition of the money supply, and he gave the impression, as I did my best to follow him, that the holding of government bonds in the banking system as distinguished from public hands was growing. The fact is that that situation was reversed last autumn.

Mr. Pearson: I think I should explain at once, Mr. Speaker, that I perhaps gave the wrong impression. My figures were for the end of September.

Mr. Fleming (Eglinton): It is unfortunate my hon. friend did not make his point much clearer than he did. It is true that there had been, up to that date, an increase in the public debt held in the hands of the banking system compared with that in the hands of the public. I am happy to say to the house that in the autumn months that trend was reversed, and happily reversed. We have had the situation since, thanks to the unprecedented success of the Canada savings bond issue last autumn, where there has been a notable reduction in the proportion of public debt held by the banking system and a relatively substantial increase in the public debt held in the hands of the public as distinguished from the banking system. I am glad the hon. gentleman has taken advantage of this opportunity to clear up what he said on that occasion because obviously the other impression was completely unjustified by the facts.

I had hoped to say something today about the conversion loan. I have time only to mention this, that we are deriving today very great and timely benefits from the tremendous success of the conversion loan last year. Do hon. members realize what kind of situation we would have faced in this month of January with the fifth victory loan maturing and over a billion dollars to meet or to refund in some way? Do hon. members realize, if we had not taken the steps we did at that time, what it would have meant to this country, with the rise in the interest rates since last summer and the softening of the bonds markets of this continent, to have to face now in addition to our current borrowings a maturity of more than a billion dollars? I think all members may well realize what benefit has accrued to Canada from the fact that we were successful, with the co-operation of the holders of over 90 per cent of these victory loan bonds, in postponing the maturity of that indebtedness. It is the sort of thing we could not do to-day. We may be thankful we accomplished it when we did.

Some hon. members opposite have been talking about the weakness of the bond markets on this continent as though it were something that gave them sheer glee. The fact is that there has been a very serious decline, and it would have hit this country much sooner than it did had it not been for the success of the conversion loan. However, the effects of the weakness in the New York bond market, the very serious weakness, could not fail to be felt in the bond markets of this country. You cannot isolate Canada from the economic influences of the United States, and you cannot isolate the Canadian bond market from the influence of the severe weaknesses of the United States market.

Mr. Speaker: I am sorry to interrupt the minister, but I must inform him his time has expired.

Mr. C. W. Carter (Burin-Burgeo): I see that I am faced with the task of compressing a 20-minute speech into seven or eight minutes and that is going to wreak havoc upon the masterpiece I have prepared for this occasion. As I listened to the minister who has just taken his seat, I could not help but recall those words of Kipling to the effect that the tumult and shouting dies, the captains and the kings depart. Certainly there was plenty of tumult and plenty of shouting, and there was even a long peroration on inflation, but very little information on government policy.

This curious reluctance on the part of ministers opposite to take the people into their confidence and divulge what they intend to do about the twin problems of unemployment and inflation has characterized this debate

throughout its entire course. Instead of telling us what their plans are, they have lectured us on the responsibility of the opposition; they have heaped personal abuse upon us and we have been called prophets of doom and gloom because we have ventured to call attention to some of the problems which concern the nation at this time. The Minister of Finance (Mr. Fleming) made these points very emphatically in the speech he has just completed, but I wonder if he considers the president of the Royal Bank of Canada to be a prophet of doom and gloom, because the latter calls attention to the fact that prices today are near the explosion point. I think his words were that prices were being inflated to the point of explosion danger.

If we are prophets of doom and gloom we are in very good company, because we are in the company of bank presidents, leaders of finance and all the people who are in a position to form an intelligent opinion on this subject. Jeers and personal abuse are no substitutes for sound argument, and the fact that the government has had to resort to these tactics indicates that it is on the defensive and that it has no sound policies to put forward and no effective answers to our criticism.

Speeches which have been made by ministers in the course of this debate disclose a curious idea that members of the opposition are elected to parliament in order to formulate policy, and that it is the responsibility of the government to attack the policies of the opposition. We have continually been asked for suggestions and criticized for not putting them forward. The government has been charged in the course of this debate on many occasions with being contradictory. Certainly, one of the statements which has just been made by the Minister of Finance contradicts statements made by some of his colleagues. Hon. members will recall that the minister, like his colleagues in the cabinet, criticized us for attacking the government. I wish to put on record the opinion voiced by one of the members of the present cabinet, the Solicitor General (Mr. Balcer), and I intend to read from a verbatim report of a television press conference which took place on January 30, 1956.

Mr. Levesque of the C.B.C. put a question to the Solicitor General which reads as follows:

> If today or tomorrow you were in power, what essential difference could we note? Have you any idea on the subject?

To which the Solicitor General replied:

> The role of an opposition in a democracy is to criticize legislation as it is brought down by the party in power.

[Mr. Carter.]

I say to the Minister of Finance and to his colleagues the same words which the Prime Minister himself said to the labour delegation the other day: you certainly cannot have it both ways.

Now I should like to come to the point which necessitated my intervention in this debate, but before doing so I should like to join in congratulating the hon. member for Provencher (Mr. Jorgenson) and the hon. member for Montmagny-L'Islet (Mr. Fortin) on the excellent contributions they made to the debate in moving and seconding the address.

Yesterday, the hon. member for St. John's East (Mr. McGrath) made a stirring appeal to the Minister of Transport (Mr. Hees) to divert the motor vessel *William Carson* from Port aux Basques to the terminal at Argentia. I should be failing in my duty if I did not try to put on record some of the counter arguments with regard to this proposal. The first point I wish to make is that the terminal at Port aux Basques and the ferry service between North Sydney and Port aux Basques are part of the terms of union between Canada and Newfoundland. This is a solemn pact which is now part of our constitution, and though the hon. member who made this appeal yesterday may not have realized it he was, in effect, asking the minister and the government to break this solemn treaty obligation. What value could we place on our bill of rights or what prestige would the government enjoy among the nations of the world if it were even contemplated for one moment breaking a solemn compact which is incorporated in the constitution of our country?

There is a very good reason, moreover, why Port aux Basques is mentioned in the terms of union as a place for this terminal, and the reason is that Port aux Basques is the only place in Newfoundland where a daily service can be operated between the province and the mainland of Canada. Thirdly, the ferry *William Carson* was built especially to provide that service. She is no ordinary ship; she was built especially for this service. She has three things to do and one of them is to break the tremendous backlog of freight which has piled up every year at North Sydney on the mainland—

Mr. Speaker: I am sorry to interrupt the hon. member, but it is my duty at this time to interrupt the proceedings and put to the house every question necessary to dispose of the main motion.

When I read the motion which was moved by the hon. member for Assiniboia (Mr. Argue) I had some doubts as to its regularity under the rules, but as no hon. member objected to the amendment I allowed the debate

to proceed. Hon. members will note, however, that I did not attempt to restrict the debate to the subject matter of the amendment which was moved by the hon. member for Assiniboia. Since then I have given some thought to the matter and considered whether an amendment of this kind should go to a vote, and I came to the conclusion that it certainly should not go to a vote without my expressing doubts as to its propriety, so that it would not stand as a precedent.

On further reflection I have come to the conclusion that it is really not in order and that it should not be put to the house. I should, perhaps, explain briefly what are the bases of my conclusions, and I realize that I am not giving members an opportunity to speak to the point. Perhaps, if they wish to do so, they should do so before I make a ruling.

Mr. Winch: On the amendment, I take it, not on the right to introduce it.

Mr. Speaker: Yes. It is clear on that point that it is open to any hon. member to introduce an amendment up until the moment when the final vote has to be taken at 5.30. My objection is to the character of the amendment. I will just explain my viewpoint by reminding the house we are debating the motion to thank His Excellency for the address from the throne.

The address from the throne is, broadly, a statement of the government's policy and the debate, broadly, is a debate on the policy of the government. That has been clearly established. Looking back over the amendments that have been moved over the past number of years they have been motions of want of confidence in broad terms rather than relating to a specific point such as the amendment I am discussing. This debate then is on the policy of the government generally and that has been indicated, as hon. members will find, as early as 1878 when the Honourable Mr. Alexander McKenzie, speaking on the address in that year, as quoted in Beauchesne's fourth edition, citation 169 at page 142, said:

> It has been thought desirable in our parliamentary practice that it is better to postpone debates upon specific subjects of discussion in the house until those matters are brought forward before us by a bill or resolution, and I am glad to know that the hon. gentleman admits that the speech has been constructed this time fairly in that respect.

He was referring to the speech from the throne. Speeches from the throne have been constructed in that way and have been challenged by amendments such as the first two which were moved this session and which were a broad challenge of the government's policy. On that point, Beauchesne in the same edition at page 143, citation 170, states:

> 170. (2) An amendment to the address in reply to the speech from the throne is a motion of "no-confidence"—

In subsection 3 of citation 170 Beauchesne states:

> 170. (3) Amendments to the address in reply to the speech from the throne are the means used by the opposition for the purpose of challenging government policies or actions when parliament meets again after a few months' recess.

Applying both principles to the amendment in question it does not challenge the government's policies. It suggests the advisability of the government introducing a motion to set up a special committee to carry on an investigation. There is no assertion of policy one way or the other. It simply calls upon the government to establish a committee to investigate the items mentioned in the amendment, the relevant words of the amendment being:

> —to investigate the extent to which, directly and indirectly. Canadian companies are made subject to United States law and business policy and the damage this has caused to the Canadian economy through loss of export markets.

It calls simply and solely for an inquiry without challenging the government's policies. On that basis and on the basis of the quotations which have been made it seems to me that it is not the kind of amendment which should be accepted on the address in reply to the speech from the throne. In saying that I feel that the hon. member who moved the motion is not suffering any injustice if I am in error because he already has had the opportunity of moving an amendment which was debated for six days. I will therefore put the question on the main motion.

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

YEAS

Messrs:

Aiken	Browne (Vancouver-Kingsway)
Aitken, Miss	Bruchesi
Allmark	Brunsden
Anderson	Cadieu
Badanai	Campbell (Lambton-Kent)
Baldwin	Campbell (Stormont)
Baskin	Campeau
Batten	Carter
Beech	Casselman, Mrs.
Bell (Carleton)	Chambers
Bell (Saint John-Albert)	Charlton
Belzile	Chown
Best	Churchill
Bigg	Clancy
Bissonnette	Comtois
Boivin	Cooper
Bourbonnais	Creaghan
Brassard (Lapointe)	Crouse
Brooks	
Broome	

Division

Danforth
Deschambault
Deschatelets
Diefenbaker
Dinsdale
Dorion
Doucett
Drouin
Drysdale
Dumas
English
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Forbes
Fortin
Frechette
Fulton
Godin
Gour
Grafftey
Granger
Green
Gundlock
Habel
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hanbidge
Harkness
Hellyer
Henderson
Hicks
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Johnson
Jones
Jorgenson
Jung
Keays
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lafreniere
Lambert
LaRue
Latour
Legere
Lennard
Lessard
Loiselle
Macdonald (Kings)
Macdonnell
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacRae
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McGregor
McIlraith
McIntosh
McLennan
McMillan
McPhillips
McQuillan
Maloney
Mandziuk
Martel
Martin (Essex East)
Matthews
Michaud
Mitchell
Monteith (Perth)
Montgomery
More
Morris
Morton
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nixon
Noble
Nowlan
Nugent
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Payne
Pearkes
Pearson
Phillips
Pickersgill
Pratt
Pugh
Rapp
Rea
Regnier
Ricard
Richard (St. Maurice-Lafleche)
Robinson
Rogers
Simpson
Skoreyko
Slogan
Small
Smallwood
Smith (Calgary South)
Smith (Hastings-Frontenac)
Smith (Winnipeg North)
Southam
Speakman
Stanton
Stearns
Stefanson
Stewart
Stinson
Tassé
Taylor
Thomas
Tucker
Villeneuve
Vivian
Walker
Weichel
White
Winkler
Woolliams
Wratten—176.

NAYS

Messrs:

Argue
Herridge
Howard
Peters
Regier
Winch—6.

[Mr. Speaker.]

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the first order of business after the address has been agreed to is for the house to order that the address be engrossed and presented to His Excellency the Governor General. I therefore wish to move, seconded by the Minister of Public Works (Mr. Green):

That the address be engrossed and presented to His Excellency the Governor General by such members of this house as are of the honourable the privy council.

Motion agreed to.

WAYS AND MEANS

APPOINTMENT OF COMMITTEE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, under standing order 55 provision is made that the house shall appoint committees of supply and ways and means. It is necessary to do so every session as soon as the address has been agreed to in answer to His Excellency's speech. I therefore wish to move, seconded by the Minister of Finance (Mr. Fleming):

That this house will at its next sitting resolve itself into a committee to consider of the ways and means for raising the supply to be granted to Her Majesty.

Motion agreed to.

SUPPLY

APPOINTMENT OF COMMITTEE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I now wish to move, seconded by the Minister of Finance (Mr. Fleming):

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

Motion agreed to.

SUPPLEMENTARY ESTIMATES (2), 1958-59

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1959, was presented by Hon. Donald M. Fleming (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder whether I could ask the Minister of Public Works if the government intends to move to go into supply on Monday or whether it will be a private members' day.

Mr. Green: The intention is to have a private members' day on Monday.

Some hon. Members: Hear, hear.

Mr. Winch: Don't change it.

Mr. Green: That looks like trouble. On Tuesday, which will be a government day, we shall commence with consideration of the supplementary estimates, then take the resolution preceding an amendment to the National Housing Act, then the resolution preceding an amendment to the Fisheries Improvement Loans Act and the one dealing with the Trans-Canada Highway Act. This business will be continued on Wednesday. Thursday will be another private members' day, and then government business on Friday. On the following Monday we hope to have a supply motion.

Mr. Pickersgill: Can the minister tell us when the unemployment insurance legislation which the Minister of Finance told us was ready is going to be proceeded with?

Mr. Fleming (Eglinton): I did not comment on that.

Mr. Martin (Essex East): Yes, you did.

Mr. Fleming (Eglinton): Nonsense.

Mr. Martin (Essex East): Yes, you did.

Mr. Green: I am not in a position at the moment to say when that will be considered.

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

Questions

ANSWERS TO QUESTIONS

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

OLD AGE SECURITY FUND

Question No. 29—**Mr. Carter:**

1. How much money has been paid into the old age security fund per month since July, 1958?
2. How much has been paid out of the fund each month since July, 1958?
3. What is the balance remaining in the fund at the present time?

Answer by: **Hon. J. W. Monteith (Minister of National Health and Welfare):**

1958	1. Tax Revenues	2. Payments
August	27,247,255	46,137,962
September ..	26,402,296	46,671,380
October	32,372,536	46,952,369
November ...	27,053,648	46,835,016
December ...	27,589,959	46,793,620
Total payments		$233,390,347
Total tax revenues	$140,665,694	140,665,694
Excess of payments over tax revenues		$ 92,724,653

The excess of payments over tax revenues is met from time to time by temporary loans made by the Minister of Finance under the authority of section 11 (3) of the Old Age Security Act.

3. As at December 31, 1958—Nil.

C.B.C. SATELLITE TELEVISION UNITS

Question No. 36—**Mr. Benidickson:**

1. What funds were (a) budgeted for the current fiscal year; (b) spent to date by the Canadian Broadcasting Corporation with respect to construction of each T.V. satellite or relay unit at Corner Brook, Liverpool-Shelburne-Yarmouth, Moncton (French), Kenora, St. Boniface (French), and Trail?
2. Since June 25, 1958, at what additional locations has it been decided to establish similar Canadian Broadcasting Corporation T.V. satellite facilities?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

1. (a) $100,000.00; (b) Cash expenditures as at January 22, 1959: Corner Brook—$5,704.99, Liverpool - Shelburne - Yarmouth—$54,492.15, Moncton (French)—$1,018.15, Kenora—$702.21, St. Boniface (French)—$928.27, Trail—$612.08.

2. None.

HOUSE OF COMMONS

Monday, February 2, 1959

The house met at 2.30 p.m.

HOUSE OF COMMONS

MR. SPEAKER—STATEMENT RESPECTING READING OF SPEECHES

Mr. Speaker: By leave of the house I should like to read a brief statement on not reading speeches.

At this stage of the session I think I should recall to the minds of hon. members the well-established rule of this house against the reading of prepared speeches, except for members who are making their maiden speeches, and for certain important statements which have to be made in introducing complicated subjects, such as the budget or an involved piece of legislation.

During the first session of this parliament there were first speeches by many new members and it was perhaps not an appropriate time to invoke the rule too often. But at the present time almost all the new members—all except 11 or 12—have delivered their maiden speeches, and all hon. members might well give thought to the improvement of debate and the more expeditious handling of public business by refraining from the reading of a series of set speeches or essays.

I must say that an observer of the debate on the address in reply to the speech from the throne, as it has progressed during the past two weeks, might well have thought that the rule required members to read their speeches. He would have seen members preparing a lectern from which to read their speeches by placing two or three thick volumes of *Hansard* on their desks, perhaps even the volume in which the rule against the practice had been noted. He would have seen others reading page after page of a speech which they boldly held in their hands.

It is clear that members may refer to notes and may read quotations and, as I have said, there are some exceptional cases where reading is allowed. But it is equally clear that members must not read their speeches verbatim, and even in the exceptional cases the whole speech should not be read.

The rule itself and the reasons which support it have been well stated from time to time, and I do not intend to repeat what has been said, but rather to give members one or two references which will enable them to satisfy themselves on the course which they should follow.

May I refer hon. members to citation 144 in Beauchesne's fourth edition, pages 124 and 125. My immediate predecessor in the chair collected the authorities and precedents in a lengthy statement which he gave to the house on the 31st January 1956. This will be found in the *Journals* for 1956, beginning at page 92. Hon. members will appreciate that it is not easy for a Speaker to intervene on his own initiative, and that the enforcement of the rule depends almost entirely on hon. members themselves, those who are making speeches and those who are sufficiently interested in preserving the character of parliamentary debates to rise on a point of order when the rule is being infringed.

I have been encouraged to believe that now that the throne speech debate is over, hon. members in all parts of the house are ready and willing to co-operate to the fullest extent in restoring this very sound rule and practice. Those of us who sit in the chair will do our part. We ask for your co-operation, and particularly for your indulgence when we find it necessary to intervene.

Mr. Winch: Mr. Speaker, will you enforce that rule?

Mr. Speaker: As I have said, I shall do my part, and I hope that hon. members will co-operate in bringing this rule back into effect.

ASSISTANT PARLIAMENTARY REPORTERS—APPROVAL OF CIVIL SERVICE COMMISSION REPORTS

Hon. Donald M. Fleming (Minister of Finance) moved:

That the report of the civil service commission respecting the appointment of an assistant parliamentary reporter, laid upon the table of the house Wednesday, January 28, 1959, be now approved.

Mr. Chevrier: Will the minister explain the purpose of this motion?

Mr. Fleming (Eglinton): Mr. Speaker, this is a matter that comes before the house from the commissioners of internal economy. It concerns a situation which has become somewhat serious in relation to the reporting services of both the house and its committees.

In the particular motion now before the house the individual concerned, Mr. Peter Parsons, was the only person sitting for the

examination who was found to be qualified in the view of the civil service commission. He is prepared to come on the reporting staff only if started at the maximum available in this category, and not at the starting minimum. The purpose of this motion, in giving effect to a recommendation from the civil service commission and a recommendation from the commissioners of internal economy, is to start the gentleman at the maximum salary provided.

Motion agreed to.

Hon. Donald M. Fleming (Minister of Finance) moved:

That the report of the civil service commission respecting the appointment of an assistant parliamentary reporter, laid upon the table of the house Thursday, January 29, 1959, be now approved.

Mr. Chevrier: Will the minister explain?

Mr. Fleming (Eglinton): In this case the person recommended for appointment as an assistant parliamentary reporter and qualified for the purpose resides in Vancouver, and to induce him to come and take this position it was necessary to agree to pay his expenses in moving from Vancouver to Ottawa. The purpose of the motion is to permit that to be done. Again this is in line with the recommendation of the civil service commission and comes to the house on the recommendation of the commissioners of internal economy. Even the passage of these two motions, Mr. Speaker, will leave the reporting staff of the house and committees somewhat short-handed.

Mr. Winch: What is an assistant parliamentary reporter?

Mr. Fleming (Eglinton): The gentleman in question in the present motion—

Mr. Winch: What is an assistant parliamentary reporter?

Mr. Fleming (Eglinton): —will serve on the committee reporting staff, Mr. Speaker.

Mr. Winch: Why is a motion of the house required?

Mr. Fleming (Eglinton): Because of the fact that financial considerations are involved, that this is something that has occurred with the house in session, and because the commissioners of internal economy have submitted recommendations to the house. In both cases the reports of the commissioners were laid on the table of the house last week and have been printed in *Votes and Proceedings.*

[Mr. Fleming (Eglinton).]

SEARCH AND RESCUE

PRESUMED LOSS OF S.S. "HANS HEDTOFT"—PART PLAYED IN SEARCH BY R.C.A.F.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in view of the interest in connection with the position of the Danish ship *Hans Hedtoft,* I felt that a statement should be made at this time to indicate the stand taken by Canada and the work done by the Royal Canadian Air Force in connection with this matter. The area involved where the ship met its disaster is outside of the Canadian area of responsibility. However Canada, as a result of requests and in co-operation with the United States naval authority, has assumed responsibility for the over-all co-ordination of the search through the R.C.A.F. rescue co-ordination centres at Halifax and Torbay.

I should refer to the work done in that connection. An R.C.A.F. Lancaster aircraft from the rescue unit at Torbay, Newfoundland, was immediately despatched to join the United States air force search aircraft based at Goose Bay and Keflavik. The captain of the weather ship *Bravo* has been appointed searchmaster at the scene of the action. Search operations are continuing with the R.C.A.F. providing the over-all co-ordination.

While there is no certainty as yet as to the fate of the ship, I am sure that I speak for all Canadians in expressing the hope that it will yet be possible that rescue may take place, very doubtful as that is. At the same time I express on behalf of the government and people of Canada our sympathy to the government and people of the kingdom of Denmark in these trying hours. I also express our hope that out of the fears of the last two days may yet come rescue. In the meantime Canada is doing everything it can to participate in the search work that is taking place.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I am sure all hon. members of this house will join in the Prime Minister's expression of admiration for the effective and courageous work of rescue which the Royal Canadian Air Force have been and are doing in connection with what seems at this time to be a very tragic disaster. We also join with the Prime Minister in his expression of sympathy for the victims, as they seem likely to be, of that disaster.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, on behalf of the C.C.F. group may I say that we wish to associate ourselves with the remarks of the Prime Minister and the Leader of the Opposition. We wish to convey to the people of Denmark and to the

families and relatives of those who may be victims of this tragic disaster our most sincere sympathy. We know that the people of Canada were only too happy to have been able to participate in rescue operations, and we associate ourselves with the Prime Minister in his hope that events may yet prove that this has not been the tragedy it now appears to be.

ATOMIC ENERGY

STATEMENT ON NEGOTIATION OF AGREEMENTS

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, I desire to make a statement relating to the negotiation of atomic energy agreements. I think this is a matter in which the house is deeply interested. As I have previously stated in the house, these agreements are designed to provide for the development of co-operation in the peaceful uses of atomic energy and for commercial exchanges of nuclear energy materials, particularly uranium, of which Canada is of course a large producer.

Canada has already concluded two such agreements, one with the Federal Republic of Germany and one with Switzerland, and we have been in communication with a number of other friendly governments which have embarked on atomic energy power reactor programs and with which we might therefore be expected to have a mutual interest in co-operation in this field. Among these countries have been Japan and certain nations of western Europe.

I am pleased to announce today the opening of negotiations looking toward two additional atomic energy agreements. Preliminary negotiations for a bilateral agreement between Canada and Japan to provide for co-operation in the peaceful uses of atomic energy are now under way, and we expect that formal negotiations will be concluded in the spring of 1959.

With respect to western Europe, the house will recall that a treaty establishing a European atomic energy community, EURATOM, became effective on January 1, 1958. The object of the community, of which Belgium, the Federal Republic of Germany, France, Italy, Luxembourg and The Netherlands are members, is to contribute to the raising of the standard of living in member countries and the development of commercial exchanges with other countries by the creation of conditions necessary for the speedy establishment and growth of nuclear industries. The Canadian government has approached the EURATOM commission with a view to the negotiation of an agreement for co-operation in the peaceful uses of atomic energy to provide a framework for the development of such co-operation between Canada and EURATOM, and particularly for the organization of a joint program of research and development on natural uranium/heavy water power reactors. The commission has welcomed this proposal and the negotiation of an agreement is expected to begin shortly. The natural uranium/heavy water reactor is, of course, the type on which Canadian research and development have been concentrated.

We are engaged in discussions with a number of other governments, and we will continue our efforts to conclude new bilateral agreements in this field.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I am sure the house listened with great interest to the statement the minister has just made on what is a very important matter. We on this side hope the government will be able to press ahead to a successful conclusion the two negotiations which have now begun. In due course we will be interested in hearing whether they are able to initiate negotiations with other countries.

In view of the fact, Mr. Speaker, that under the present regulations we can export only a very small quantity of uranium without bilateral agreements, it is of the most vital importance that these should be concluded. That perhaps has been underlined in the last few days by the fact that one of our uranium-producing mines in the Elliot Lake district has had to suspend operations.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, this announcement by the Secretary of State for External Affairs is a most happy one, because it shows that once again Canada is in the forefront in the development of atomic energy for peaceful purposes. I think in this field the government and parliament will receive the unanimous support of the people of this country. When other more powerful nations seem more concerned with the military development of atomic energy I think it is most appropriate that an industrial power of Canada's stature should be forging ahead in the field of peaceful development.

We hope that by these agreements atomic energy may be made available to more countries in the world and that as hydro-electric energy becomes less available atomic energy may be used more and more in the future to raise the living standards of people all over the world.

Motions for Papers

ST. LAWRENCE SEAWAY AUTHORITY ACT

AMENDMENT TO INCREASE LIMIT ON AMOUNT TO BE BORROWED

Hon. George H. Hees (Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the St. Lawrence Seaway Authority Act to provide that the authority, with the approval of the governor in council, may from time to time borrow money from Her Majesty or otherwise to an aggregate that shall not at any time exceed $335 million in lieu of $300 million which it is already authorized to borrow by section 13 of the act.

Motion agreed to.

NORTHWEST TERRITORIES ACT

AMENDMENT TO PROVIDE FOR APPOINTMENT OF JUDICIAL AND ADMINISTRATIVE OFFICERS, ETC.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Northwest Territories Act to provide for the appointment by the governor in council of judicial as well as of administrative officers; and to provide further for certain changes in connection with the administration of the act.

Motion agreed to.

MOTIONS FOR PAPERS

"CANADIAN ECONOMIC OUTLOOK FOR 1958"

Motion No. 1—**Mr. Pickersgill:**

For a copy of "The Canadian Economic Outlook for 1958" as prepared by the Department of Trade and Commerce.

He said: I wonder, sir, if I may have permission to withdraw this motion.

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

RECONVENING OF DOMINION-PROVINCIAL CONFERENCE

Motion No. 2—**Mr. Martin (Essex East):**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government or any official thereof, and any member of the provincial governments, since November 26, 1957, with respect to the reconvening of the dominion-provincial conference.

Right Hon. J. G. Diefenbaker (Prime Minister): Subject to the usual reservation that the provinces agree, Mr. Speaker.

[Mr. Argue.]

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the reservation expressed by the Prime Minister?

Motion agreed to.

TRANSPORT BOARD INTERIM REPORTS

Motion No. 3—**Mr. Chevrier:**

For a copy of all interim reports made by the Board of Transport Commissioners to the Minister of Transport, or to the government, pursuant to the terms of P.C. 1487, dated the 7th of April, 1948.

He said: There are three such reports, Mr. Speaker, two of which I have now received and the third is being printed. With that I am satisfied that my motion has been answered, and I would ask leave to withdraw it.

Mr. Speaker: Has the hon. member permission to withdrawn his motion?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

CANADIAN PACIFIC STEAMSHIPS—INDUSTRIAL DISPUTE

Motion No. 4—**Mr. Howard:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government or any of its departments, and the provincial governments, organizations and persons, since January 1, 1958, dealing with the industrial dispute between Canadian Pacific Railway Company, British Columbia Coast Steamship Service and the National Association of Marine Engineers of Canada, Inc., the Canadian Merchant Service Guild Inc., and the Seafarers' International Union of North America, and dealing also with the operation of the British Columbia Coast Steamship Service Act.

He said: As a result of discussions with the minister, Mr. Speaker, I should like to withdraw this motion.

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

SALE OF CANADIAN NATIONAL STEAMSHIPS

Motion No. 11—**Mr. Chevrier:**

For a copy of all contracts providing for the sale of the vessels formerly owned by the Canadian National Steamships.

Motion agreed to.

SEAPORT FACILITIES, MOOSONEE, ONT.

Motion No. 13—**Mr. Peters:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and any of its departments, and the provincial government of Ontario, its agents, commissions or agents thereof, since January 1, 1957, dealing with the establishment of a seaport at Moosonee, Ontario, including the establishment of docking facilities, dredging of a channel connecting Moosonee with the deeper waters of James bay.

Hon. Howard C. Green (Minister of Public Works): I would ask that this be passed subject to obtaining the approval of the provincial government.

Mr. Speaker: Is it the pleasure of the house to adopt the motion, subject to the limitation expressed by the Minister of Public Works?

Motion agreed to.

AIRPORT FACILITIES, MOOSONEE, ONT.

Motion No. 14—**Mr. Peters:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and any of its departments, and the provincial government of Ontario, its agents, commissions or agents thereof, since January 1957, dealing with the establishment of airport facilities for wheel-equipped aircraft in the immediate area of Moosonee.

Hon. George H. Hees (Minister of Transport): There is no objection to the passing of this motion, subject to the usual reservation with regard to the consent of the province.

Mr. Speaker: Is it the pleasure of the house to adopt the motion, subject to the reservation expressed by the Minister of Transport?

Motion agreed to.

AIRPORT FACILITIES, KIRKLAND LAKE, ONT.

Motion No. 15—**Mr. Peters:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and the provincial government of Ontario, the township of Teck, and other persons or organizations, regarding the establishment of an airport in the vicinity of the town of Kirkland Lake.

Hon. George H. Hees (Minister of Transport): There is no objection to the passing of this motion, subject to the usual reservations regarding the concurrence of the province.

Mr. Speaker: Is it the pleasure of the house to adopt the motion, subject to the reservation expressed by the Minister of Transport?

Motion agreed to.

TELEVISION RELAY TRANSMISSION, DAUPHIN, MAN.

Motion No. 17—**Mr. Benidickson:**

For a copy of all correspondence since January 1, 1958, between the federal government and the government of Manitoba or any person or organization relating to a proposal to relay television transmissions northward into the region of Dauphin, Manitoba, from either of the existing TV transmission stations at Brandon or Winnipeg.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, there is no objection to passing this motion subject to the usual reservation with regard to the consent of the provinces.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the reservation expressed by the Minister of Transport?

Motion agreed to.

C.B.C. TELEVISION SERVICE, KENORA-RAINY RIVER CONSTITUENCY

Motion No. 18—**Mr. Benidickson:**

For a copy of all correspondence since January 1, 1958, between the federal government and persons or organizations resident in the Kenora-Rainy River constituency requesting or opposing the provision by the Canadian Broadcasting Corporation or by other sources of television programs to serve Fort Frances, Dryden, Sioux Lookout, Red Lake and Atikokan.

Hon. George C. Nowlan (Minister of National Revenue): There is no objection to passing this motion subject to this understanding. When reference is made to the federal government I presume that some ministers may have had some mention on some particular phase of this matter in correspondence dealing with other matters. As I understand it this motion is limited to correspondence with myself or the Canadian Broadcasting Corporation dealing specifically with these matters, and will be brought down right away.

Mr. Speaker: Subject to the explanation given by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

VIADUCT PROJECT, SHERBROOKE, QUE.

Motion No. 20—**Mr. Dupuis:**

For a copy of all correspondence and other documents exchanged between the Board of Transport Commissioners and the city of Sherbrooke, respecting a project for a viaduct on Acadia street, Sherbrooke, Quebec.

Motion agreed to.

PICNIC GROUND DEVELOPMENT AND IMPROVEMENT PROGRAM, ONTARIO

Motion No. 21—**Mr. Benidickson:**

For a copy of all correspondence, and any agreements entered into between the federal government and the government of Ontario since January 1, 1958, relating to the picnic ground development and improvement winter work program.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Subject to the usual reservations, Mr. Speaker.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the reservations that are customary?

Motion agreed to.

FOREST ACCESS ROAD PROGRAM, ONTARIO

Motion No. 22—**Mr. Benidickson:**

For a copy of all correspondence, and any agreements entered into between the federal government and the government of Ontario since January 1, 1958, relating to the access to forests winter road work program.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Subject to the agreement between the hon. member for Kenora-Rainy River (Mr. Benidickson) and myself, I accept this motion.

An hon. Member: What are the terms of the agreement?

Mr. Hamilton (Qu'Appelle): Do you want the terms of the agreement, Mr. Speaker? There is an extensive series of documents to present. We have agreed that we will look at the files and that the hon. member will point out the ones he wants and those will be returned to the house.

Mr. Speaker: Subject to the arrangement between the minister and the hon. member for Kenora-Rainy River is it the pleasure of the house to adopt the motion?

Motion agreed to.

C.B.C. LABOUR DISPUTE, MONTREAL

Motion No. 24—**Mr. Howard:**

For a copy of all correspondence, telegrams and other documents exchanged between the government or any of its departments and the Canadian Broadcasting Corporation; and between the Canadian Broadcasting Corporation and any other person, organization, agency or government since January 1, 1959, and having relationship to the present dispute between the Canadian Broadcasting Corporation and some of its employees.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I wonder whether the hon. member will allow this motion to stand. I am a little confused about the wording. There is no correspondence, telegrams or other documents exchanged between the government or any of the departments of the government and the Canadian Broadcasting Corporation with respect to the strike. Therefore the return to the first part of the motion will be a nil return. The second part of the motion refers to correspondence between the Canadian Broadcasting Corporation and any other person, organization, agency or government. There has been no correspondence between the corporation and the government, but I am not sure what the situation may be with respect to other persons. There may be a thousand, there may be ten or there may not be any. I should like to discuss this matter with the hon. member. That is the only point on which there can be any question.

Motion stands.

[Mr. Speaker.]

EAST SAINT JOHN THERMAL PLANT, N.B.

Motion No. 25—**Mr. Robichaud:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government or any official thereof, and the provincial government of New Brunswick, or the New Brunswick Electric Power Commission, with respect to the signing of an agreement for the construction of the East Saint John thermal plant, for the period June 1, 1958, to date.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, as negotiations are at present under way between the government of New Brunswick and the government of Canada concerning this agreement, I do not think it would be proper to consent to the address for the production of these papers at this time.

Mr. Speaker: Is the hon. member willing that this item stand?

Mr. Robichaud: Yes.

Motion stands.

UNEMPLOYMENT ASSISTANCE, QUEBEC

Motion No. 26—**Mr. Chevrier:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and the government of the province of Quebec, since November 30, 1957, with respect to unemployment and to the making of an agreement under the Unemployment Assistance Act.

Hon. J. W. Monteith (Minister of National Health and Welfare): Subject to the usual reservations, Mr. Speaker.

Mr. Speaker: Subject to the usual reservations, is it the pleasure of the house to adopt the motion?

Motion agreed to.

MUNICIPAL WINTER WORKS INCENTIVE PROGRAM

Motion No. 27—**Mr. Argue:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and the government of each province since May 1, 1958, concerning the municipal winter works incentive program.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the motion is agreed to provided consent is obtained from the provinces.

Mr. Speaker: Subject to the limitation expressed by the Minister of Labour, is it the pleasure of the house to adopt the motion?

Motion agreed to.

SOUTH SASKATCHEWAN DAM—WAGE RATES

Motion No. 28—**Mr. Argue:**

For a copy of all correspondence, telegrams and other documents or agreements exchanged between the federal government or agency thereof, and any

provincial government, trade union or other organization, regarding the wage rates which are to apply in connection with the construction of the south Saskatchewan dam.

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, the Department of Labour and the Department of Agriculture are the only ones concerned, so far as we know. We are agreeable to this motion passing subject, of course, to the agreement of the province.

Mr. Speaker: Subject to the reservation expressed by the Minister of Agriculture, is it the pleasure of the house to adopt the motion?

Motion agreed to.

PIPE LINES ACT AMENDMENTS

Motion No. 29—**Mr. Argue:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and each of the provincial governments since January 1, 1958, concerning amendments to the Pipe Lines Act (Canada) and/or pipe line acts in force in the provinces.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I understand that the hon. member is willing to allow the motion to stand until it is possible to find out just exactly what it is that he wants.

Mr. Speaker: Stand.

Motion stands.

ROADS TO RESOURCES PROGRAM

Motion No. 30—**Mr. Argue:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and each provincial government since April 1, 1958, regarding the roads to resources program.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, this matter is under discussion between the two governments. I think it would be better to have the motion stand at the moment.

Mr. Speaker: Is the hon. member agreeable?

Mr. Argue: Yes.

Mr. Speaker: Stand.

Motion stands.

SASKATCHEWAN—POWER PLANTS, TRANSMISSION LINES AND DAM

Motion No. 31—**Mr. Argue:**

For a copy of all correspondence, telegrams and other documents, exchanged between the federal government or any of its departments, and the government of Saskatchewan, from June 5, 1958 to date, dealing with: (1) the building of power plants and electrical transmission lines within Saskatchewan; (2) the construction of the south Saskatchewan river dam.

Hon. D. S. Harkness (Minister of Agriculture): As far as the latter part of this motion concerns the south Saskatchewan river dam, it is agreeable, subject to agreement of the province, of course. I believe the same thing applies as far as the first part of the motion is concerned, but the Minister of Northern Affairs and National Resources can speak to that matter.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): That is quite correct, Mr. Speaker.

Mr. Speaker: Subject to the reservation expressed by the ministers, is it the pleasure of the house to adopt the motion?

Motion agreed to.

RECONVENING OF DOMINION-PROVINCIAL CONFERENCE

Motion No. 32—**Mr. Argue:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and each provincial government since June 1, 1957, concerning the reconvening of the dominion-provincial conference to discuss fiscal matters.

Right Hon. J. G. Diefenbaker (Prime Minister): Subject to the limitation of the customary reservations.

Mr. Speaker: Subject to the limitation expressed by the Prime Minister, is it the pleasure of the house to adopt the motion.

Motion agreed to.

FEDERAL ASSISTANCE TO NATIONAL AND PROVINCIAL HIGHWAYS

Motion No. 33—**Mr. Argue:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and the government of each province since June 3, 1958, dealing with federal assistance towards the construction of: (a) the trans-Canada highway; (b) a primary highway system; (c) provincial highways; (d) urban roads.

Hon. Howard C. Green (Minister of Public Works): Subject to the approval of the provincial governments.

Motion agreed to.

FEDERAL-PROVINCIAL TAX SHARING AGREEMENTS

Motion No. 34—**Mr. Argue:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and each provincial government since July 18, 1958, concerning federal-provincial tax-sharing agreements.

Hon. Donald M. Fleming (Minister of Finance): Subject to the usual reservation respecting the consent of the provinces.

Motion agreed to.

MOTION FOR ESTABLISHMENT OF AGRICULTURE AND FISHERIES DEVELOPMENT BANK

Mr. Samuel Boulanger (Drummond-Arthabaska) moved:

That, in the opinion of this house, the government should give early consideration to the advisability of the establishment of an agriculture and fisheries development bank to consolidate and expand existing credit facilities for persons engaged in these primary industries and to provide sufficient capital to enable farmers and fishermen to make capital improvements required for the efficient and profitable operations of their undertakings.

He said:

(Translation):

Mr. Speaker, I deem it a duty, as well as an honour, to introduce in the house the first resolution on the orders of the day. I have noted your remarks in regard to the delivery of speeches, and I shall adhere to your instructions.

The motion I should like to introduce today reads as follows:

That, in the opinion of this house, the government should give early consideration to the advisability of establishing an agriculture and fisheries development bank to consolidate and expand existing credit facilities for persons engaged in these primary industries and to provide sufficient capital to enable farmers and fishermen to make capital improvements required for the efficient and profitable operations of their undertakings.

We know, Mr. Speaker, that Canadian farmers and fishermen are not only an important sector of our economy, but also that they are the staunchest supporters of free enterprise. In fact, the success of our economy will depend on the position of our farmers and fishermen. For several years we have become increasingly aware that Canadian farmers and fishermen are in great need of capital. In fact, to finance a family farm on a sound basis, it requires much more capital than it did some 10 or 15 years ago. The farmer today, to be in a position to compete on foreign and domestic markets, must possess good land, modern equipment and improved livestock, otherwise he could not earn enough to provide for himself and his family. Unfortunately, many farmers in Canada have not been able to increase their income in this way, because in various parts of the country farms have become more and more split up, as one or two sons settle on their father's farm. In other cases, it has been the lack of capital which prevented some farmers from improving their situation by developing their land in that way.

That problem, in its various aspects, the Liberals have understood, more particularly under the administration of the Right Hon. Louis St. Laurent. The legislative measures which they adopted to help farmers and fishermen would be too numerous to be listed here. However, I must say that we Liberals are satisfied with the work accomplished. Two of the most important acts introduced by the Liberal government are, undoubtedly, the Canadian Farm Loan Act and the Farm Improvement Loans Act. Now, under those two acts, the government has loaned over $800 million to help Canadian farmers buy land, farming equipment or livestock.

During the recent election campaigns, from 1957 to 1958, my colleagues and my leader gave an outline of the Liberal party's program with regard to farm loans and the improvements which it was to introduce in that connection.

Mr. Comtois: Would the hon. member allow me a question?

Mr. Boulanger: Yes.

Mr. Comtois: The hon. member has just stated that the former government loaned $800 million to farmers to enable them to improve their farms. Am I correct?

Mr. Boulanger: Yes.

Mr. Comtois: Does the hon. member make a difference between amounts loaned by the Canadian Farm Loan Board and amounts loaned by the banks under the guarantee provided by the government on loans for farm improvement?

Mr. Boulanger: I must reply to the hon. minister that I clearly indicated that under those two acts, the government loaned over $800 million, that is $123 million under the Canadian Farm Loan Act and about $700 million under the Farm Improvement Loans Act.

Mr. Comtois: The loans were granted by the banks.

Mr. Boulanger: The banks loaned money under the legislation enacted by the government; in other words, the government guaranteed repayment of a certain proportion of those loans.

As I was saying, in 1957 and 1958, the Liberal party's program included suggestions for improving the Canadian Farm Loan Act, while the Conservatives promised to im-

prove or amend this act. In 1957, the Minister of Agriculture (Mr. Harkness) and all the Conservative members made promises to this effect, stating that the farm loan act was inadequate and would have to be revised. We have been hearing about it since 1957, but no more. The speech from the throne that was read three weeks ago mentioned for the first time that the possibility of amending the Canadian Farm Loan Act will be examined. We welcome this, and we hope the minister may soon be able to table his bill to give us an opportunity to study it.

To explain to you the Liberal party's program, with particular regard to the amendments we favour in this field, I could do no better than to read to you what our leader said during the campaign. To avoid any error, I shall read from the English version:

(Text):

As another immediate measure the Liberal party proposes, in co-operation with the provinces because it can only be done in co-operation with the provinces, to undertake a new and definite farm and home development program. The purpose of this proposed program would be to strengthen the family farm. I think it also represents a very practical Liberal approach to the problem of land use and the conservation.

These ends as I see them may be achieved only by ensuring that the farmers, particularly young farmers, have access to adequate credit. It is also important that farmers seeking this credit would, when they wish it, be given every possible assistance desired in ensuring that it be so used as to build up a strong farm business. That means offering advisory professional agricultural assistance in conjunction with the credit, though of course the applicant would have to request these services.

The types of credit suggested in this proposal are long-term for financing land and permanent improvements and intermediate term for financing things like livestock and machinery purchases. We are moved as the Liberal party to make this recommendation respecting the use of advisory or extension services in connection with farm loans because of the outstanding accomplishments of the Veterans Land Act in the field of farm credit.

We would like to see that practice extended. I think by every conceivable measure that program of supervised farm credit, that veterans program has been strikingly successful. At the present time the director of the Veterans Land Act is proposing that the amount of credit available to ex-service farmers be increased so that those farmers may be allowed to acquire a large enough farm business to have an economic unit. We strongly support that recommendation of the director of Veterans Land Act and we certainly as a government would ensure its adoption.

But a more important problem, however, and judged only by the amount of credit required is in providing credit facilities so that any farmer who can qualify for the credit would be helped to acquire a farm unit involving a total investment of $25,000 to $50,000. That means, as you know, in terms of a dairy farm a milking herd of at least 20 to 25 cows, or in the terms of a grain farm at least one section of land.

That I believe is the scale of family farm business that we want to make possible for farmers, especially young farmers who choose to raise their standards of living by such expansion, providing this does not mean of course that we think there is no place in Canada for the small farm. The small farm would certainly not be disturbed by any Liberal government, but when capital limitations prevent a move toward larger farms and a more adequate standard of living I suggest that these limitations should be removed.

Management skills of all our farmers large and small must be recognized and given the opportunity for full development. The purpose underlying this credit proposal is that it would lead to more efficient production and consequently lower the cost of production. In purely economic terms this means of aiding the farmer is perhaps even more important than providing comprehensive levels of support, but of course the two should go together.

As the farm industry becomes more efficient and costs are reduced the farmers would be helped by these means to overcome the effect of the old treacherous cost-price squeeze of which the farmers have been the victims.

Now, we would carry out this proposal for credit assistance by establishing a farm development bank. That agency, that bank, would control and co-ordinate all government activities in this field except those of the Veterans Land Act. That would involve, and this perhaps is of some importance, removing the Canadian Farm Loan Board from the Department of Finance and placing it and certain other credit functions under an independent bank responsible to the government, directly to the government, something along the lines that is done for industry by the industrial bank.

The rate of interest charged on these loans by this proposed bank would be as low as possible, essentially about the rate involved in government borrowing itself. The advisory services accompanying this credit scheme would be conducted by federal-provincial agencies in co-operation with this farm development bank.

I suggest that this farm development bank combined with improved research and proper land use, expresses our basic policy for the long term improvement of the position of all sections of the agricultural industry. We would like to associate with it smaller and immediately constructive measures such as allowing accelerated depreciation on granaries and other buildings used for on-farm storage of farm products.

We would like also to make it easier to improve farm homes. We think that the time has come when more should be done for rural housing than has been done in the past. We think that because of the rapid growth of our towns and cities there perhaps has been inevitably, in recent years, too much of a concentration on government assistance for urban housing. That certainly was a vitally important problem at the time and in some parts of Canada still is, but surely there is an urgent need to improve housing in the rural areas and small towns.

Therefore the Liberal government would not make a bold attack on this problem of rural housing without the flexibility of planning and standards of finance that are necessary to match the different needs in different areas.

(Translation):

You will appreciate, Mr. Speaker, that this plan that the Liberal party was and is still considering today is an entirely new concept.

It was drafted to help Canadian farmers and fishermen, to get organized, increase their holdings, buy machinery and improve their stock.

I am convinced that this resolution will be favourably received by all members who seek to raise the level of income of our farmers.

A careful study of this new legislation shows that it has many advantages; one of them would be to allow an increase of farm credit so that the farmers can get organized on a sound economic basis. Furthermore, by making more money available to them at the lowest possible interest, they could buy lands to increase their holdings, if they are too small, or they could get more modern machinery or buy cattle. The economic future of this country depends on the aid that we will be giving to farmers. If the farmer is prosperous, so will be our economy in general. Furthermore, increased farm credit would put a stop to integration, that new farming method whose consequences have been felt particularly these last few years. It is no overstatement to say that, in the province of Quebec among others, 90 per cent of the production of broilers is managed by companies, and we have just about lost hog farming; soon this method will be applied to beef cattle raising and other related stock raising as well.

It is not without reason that the manager of the Co-operative Association of the United States said:

> It is not a matter of whether farmers will or will not integrate their farming operations with that of the processing of their products.
>
> The question is whether farmers or the other categories of people or undertakings will control farm operations. In the hands of powerful companies and monopolies, this system will mean the end of family farms, which we must protect at all cost, for the economic and social welfare of the country.

Nor must we forget this other statement made by the Western United Farmers' Association, which says in part as follows:

(Text):

> If the family-type farm is to be maintained, and if we are to continue to take advantage of technological improvements in food production, then capital in very large amounts must be made available to farm people. While this problem has received governmental consideration from time to time, and while certain efforts have been made to provide capital of one type or another, there has been no over-all approach to this problem. We cannot emphasize too strongly the importance of a national policy of farm credit.

(Translation):

This resolution provides also for the availability of funds to enable farmers and fishermen to build new houses. As I said a moment ago, we know the wonderful results obtained under the National Housing Act passed under the Liberal administration. Over a million houses were built under its provisions. Unfortunately, very few were built in rural areas and small towns.

This agricultural expansion bank project would make it possible to grant loans to people concerned, for the construction of houses on the same basis as for the purchase of land or cattle.

Another benefit which would accrue from the adoption of this new project would be the help supplied to young people who wish to settle on a farm. Nowadays, many leave the farm for jobs in cities, without any preparation. They are lured by the illusion of an easier life but very often end up by joining the unemployed.

That raises a very serious problem for Canada. In a rich country like ours, blessed by Providence with fertile soil, healthy climate and all the factors favourable to the production of goods for mankind, I say it is our responsibility to keep our young people on the farm. As stated by our leader, the Liberal party wishes to help those young people whose vocation it is to till the soil.

At the end of the last war, the Liberal party passed another legislative measure in favour of veterans, the Veterans' Land Act. Experience has shown beyond any doubt that this proved very helpful in many parts of the country, where wonderful family organizations can be seen which owe their success to that legislation. The best evidence of its value is that given by brigadier J. T. Rutherford who said:

> A rural credit system adapted to current needs and well managed or supervised is undoubtedly the most efficient means at the disposal of a government to correct the discrepancy in income which exists between agriculture and other industries.

I realize, Mr. Speaker, that the improvement of the Canadian Farm Loan Act is not the only solution to the problem of our farmers.

There would be much to say concerning another item of the Liberal program which is indirectly related to the establishment of an agricultural expansion bank. I am referring to the setting up of an agricultural advisory council in each province, on which the federal and provincial authorities would be represented. Each council would be responsible for studying agricultural problems within the province, and for making fair and appropriate recommendations to

the federal government. For the purposes of the matter now under discussion, such a council would have been of great help, and it would also be helpful for many other agricultural matters, such, for example, as co-ordination of agricultural policies, research, etc.

However, in dealing with this resolution, I made it a point not to stray from my subject, because I intend to take the first opportunity to touch upon other aspects of the problem.

I have placed this resolution on the order paper because of the government's delay in introducing the new legislation it had promised since the beginning of 1957.

I have spoken more particularly of the farmers' problem, but the same arguments could be used with regard to fishermen. They also need proper credit to buy boats, fishing gear and other equipment required to improve their business.

That is why I move, seconded by the hon. member for Hull (Mr. Caron):

That, in the opinion of this house, the government should give early consideration to the advisability of establishing an agriculture and fisheries development bank to consolidate and expand existing credit facilities for persons engaged in these primary industries and to provide sufficient capital to enable farmers and fishermen to make capital improvements required for the efficient and profitable operations of their undertakings.

(Text):

Mr. L. R. Crouse (Queens-Lunenburg): It is with pleasure that I rise to speak on the resolution proposed by the hon. member for Drummond-Arthabaska (Mr. Boulanger). I cannot help but believe that he was looking over my shoulder as I prepared my remarks for the throne speech debate, for at that time I suggested that the government give consideration to improving and increasing the present assistance which is made available to fishermen so they may secure additional and more advanced fishing equipment.

You might say that the resolution is actually in two parts, one calling upon the government to give early consideration to the advisability of establishing a development bank for agriculture and also for fisheries. As there are many constituencies represented in the house whose problems revolve entirely around agriculture, while only a small number are represented by those from fishing constituencies, I have decided to limit my remarks in support of the resolution to the problems pertaining to the fishermen on our east coast.

Aid to Farmers and Fishermen

We have heard many suggestions since the beginning of the session of methods that should be followed to improve the lot of the western wheat farmer, the eastern farmer, the oil and gas industries, the fruit grower, the coal industry; and for the most part the suggestions that have been made by members of the Conservative party are worthy of every consideration. However, we must realize that all our natural resoures do not exist on the mainland of Canada, in our farms, our forests and our mines, and also that only our northland needs development.

We have on our north, east and west coasts one of our greatest natural resources found in the Arctic, Pacific and Atlantic oceans. These resources are the envy of the entire world. I say this without fear of contradiction, for on our west coast we have Americans and Japanese participating in the salmon fishing industry. Off our east coast, in the prolific fishing grounds off Nova Scotia and Newfoundland at last report we had 326 American fishing trawlers and draggers, 82 ships from Spain, 73 from Norway, 72 from Portugal, 66 from West Germany, 51 from Denmark, 38 from France, 16 from Iceland, 9 from the United Kingdom, 3 from Italy, an unknown number of ships from Holland and 6 from Russia. In fact, last year the Russians operated 6 fish trawlers approximately 100 miles off the coast of Nova Scotia. These were large factory ships well in excess of 1,000 tons. They were also a bit of a puzzle to our navy, for they remained in the same location from April 1 last and their number never varied from 6.

Canada's fleet of approximately 250 ships, which operate in the northwest Atlantic area, ranks second to the United States in reaping the harvest from the sea. For the most part these ships of all nations are in excess of 125 feet in length, with some factory ships ranging over 1,000 tons. They are capable of travelling great distances and carrying huge cargoes of refrigerated and salt fish. Some operate singly while others operate in what we call a twin operation. In other words, two large draggers travel across the surface of the ocean towing an immense net approximately one mile in length between them. Every half hour the draggers converge and the net is hauled alternately upon one ship or the other.

In my opinion, as the world's population increases it will become more and more necessary to look to the sea as a source of protein food supply. This fact is already realized by the many European countries I have mentioned and is indicated by the support given the fisheries by their various governments. In this regard groundfish collectively are the most important marine

resource on the Canadian Atlantic coast. They are the source of the fish for our large offshore trawlers as well as for a number of smaller inshore draggers. The quantities of fish are so extensive that even small improvements in the management of the resource or improved methods of fishing can result in substantial increases in profits.

Before any improvement can be made it is necessary to know the facts of the existing situation, and I am informed that under the present government considerable effort is being made to collect statistics on the size of catches, the type of ships and size of fishing equipment used, and the time and location of the catch. In addition, special efforts are being made to examine samples of the catch to determine the size distribution of the fish and their possible migratory habits. Studies have shown that some of our fishery resources may be more productive if exploited under certain restrictions, and in this regard I refer to the size of the mesh in the trawls and nets used. As much of the fishery is carried out in international waters, these regulations must be agreed upon through the international commission for the northwest Atlantic fisheries. This has been done, and from the reports received it would appear that this action will eventually result in increased stocks of commercial fish.

However, I believe that the decision regarding the size of the mesh in a net that should be carried by a deep sea trawler should be left with the captains concerned. I say this because they alone are in a position to judge the type of net that should be used, for they realize that it is impossible to sell small fish from a marketing point of view, and are well aware of the importance of conservation. They also know that on certain fishing grounds such as the northeast section of the Grand Banks it is necessary to use a small mesh fish net, for catching redfish. Captains must make many decisions regarding the operation of their ships, crew selection, weather conditions and possible good fishing areas, and when the value of conservation has been pointed out to them I believe they should be permitted to carry both large and small mesh nets to sea on their ships.

It must be remembered that fishing captains and crews do not work on salary but on a share basis with respect to the entire catch, which is in the true free enterprise spirit. Because of this there should be no hard and fast restrictions placed upon their implements of production. At the present time the regulations are such that a captain must state the type of fish he is going to catch and the area in which he is going to catch them, as he is not permitted to carry nets of both sizes to sea. I believe this regulation should be changed.

I mention these facts because they indicate an awareness on the part of the government of the need for fisheries research, and I should like to commend the minister and his staff for the very efficient manner in which this research is being carried out and the information obtained supplied to the fishermen.

With further reference to the resolution, I should like to refer to the Fisheries Improvement Loans Act of 1955. This was passed by the parliament of Canada to provide short term credit to fishermen, $4,000 being the maximum amount an individual may borrow, with interest at 5 per cent. In addition, the repayment periods are from one to eight years depending on the amount borrowed and the purpose for which the loan is obtained. Through this plan fishermen have been able to secure loans from chartered banks or credit unions, thus enabling them to secure an interest in a fishing vessel or fish weir. The provincial governments of Nova Scotia and New Brunswick have also set up fishermen's loan boards—

Mr. Pickersgill: And Newfoundland.

Mr. Crouse: And Newfoundland and Prince Edward Island—to provide loans to individuals or to groups of fishermen who have incorporated companies for the purpose of constructing long liners or draggers up to 65 feet in length. In addition, a federal subsidy of $160 per gross ton is automatically paid on these ships built under the provincial loan plan. This has further assisted the individual fisherman. As a result of this combined assistance program, in the last 12 years the number of licensed draggers and other trawlers in the maritimes has increased from approximately 10 to over 250. This, Mr. Speaker, is indicative of the progress that can be made when financial assistance in the form of loans is made available to industrious Canadians.

However, this assistance was of help to more than just the fishermen. I have in my hand a directory of new Canadian fishing boats which were built in Canadian shipyards between July, 1957 and July, 1958. I might add that this list is not all-inclusive, as only boats of over 50 feet in length are included; and one of the 23 mentioned is the *A. T. Cameron,* built for the fisheries research board of Canada. The remaining 22, however, have all been built for use in the fishing industry, and their construction has

provided much needed work in the Canadian shipbuilding yards as well as for allied industries.

Now, for the information of the house, a study of this list shows that 17 of these ships built were long liners, approximately 59 feet long. They were built in Nova Scotia. Two of these ships were draggers, 65 feet in length, built in New Brunswick; one was a gill net fisherman built in Ontario; two were dragger-seiners for British Columbia, approximately 75 feet long. I might add further that the long line method of fishing from a 59-foot ship was first introduced into the maritimes in 1943, and from the figures I have just mentioned it can be readily seen that the method has spread widely throughout Nova Scotia. This type of fishing craft is capable of competing with draggers of comparable size and is manned by a crew of four or five men. This type of fishing gear has also been adopted by some of our large Lunenburg schooners, a picture of which appears on our Canadian ten-cent piece, and the results are being followed with much interest.

From these remarks it can readily be ascertained that the present assistance policy of the government has been of material help in improving the equipment of many fishermen operating smaller boats, and by this I mean ships up to 65 feet in length. However, in speaking in support of this resolution I must say that in my opinion this assistance policy is not extensive enough to provide the fishing industry with the stability it requires. It is for this reason that I am pleased to endorse this resolution.

I believe this policy is not extensive enough for many reasons. The present assistance plan does not apply, in respect of either loans or subsidies, on fishing boats over 65 feet in length. From experience I know that 65-foot long liners or draggers cannot profitably operate throughout the winter months, that is from December until March. Even though unemployment insurance is available for the fishermen, there are regular expenses in connection with the ship which must be met. There is in addition the important fact that as a result of extensive fishing by all nations, the fish are not as plentiful on the inshore banks and our ships must go greater distances to secure a trip of fish. One must also consider the workmen ashore, that is the men who work in our fish plants. They are paid on an hourly basis, and without a continuity of supply there is the constant threat of unemployment with the resultant hardship for their families.

Furthermore, there is the important problem of markets. Fish is a highly perishable product, and we are placing great emphasis today on quality. From the fisherman who first makes the catch through to the shore processing plant, every effort is made to deliver high liner quality. As a matter of fact, under present methods fresh caught fish are kept in acronized ice, which is produced by a chemical added to the water prior to freezing. The amount used is so small that it is equivalent to the average daily human dose of antibiotics, and this is distributed over 4,000 pounds of fresh fish. This tiny amount of acronizing chemical, without changing the colour, odour, or taste of the fresh fish, is sufficient to slow down the growth of spoilage bacteria that causes the fish to lose their fresh caught flavour.

However, having once established a market, continuity of supply is again necessary if that market is to be maintained. In my opinion all these factors prove that it is now necessary to give consideration to a plan of assistance for the construction of larger boats. Fishing trawlers from 100 to 125 feet in length are capable of fishing in the north Atlantic 12 months of the year. They can travel the great distances to the Grand Banks off Newfoundland, or through the strait of Belle Isle to the Labrador coast and return, thus guaranteeing steady employment for the fishermen and workers ashore, as well as a constant supply of fine quality products for our export and home markets. However, as a result of increased building costs in the last 10 years, there has been a market decrease in new deep-sea dragger construction of the type I suggest.

The last large fishing dragger built of wood in Nova Scotia was the *Cape Roseway*, which started operations in the spring of 1956. This ship is approximately 115 feet long, and cost in the vicinity of $300,000. Since that date costs have again increased, for with the scarcity of fish these draggers must now operate in deeper waters, necessitating heavier deck winches and longer trawl warps. A recent estimate of the replacement cost of this ship revealed that it would be $325,000.

I believe much valuable information is presently being gained by our fisheries department through the research work carried out by the *A. T. Cameron*. This ship, launched last May 30, is 177 feet long and carries a crew of 25. She was built at a cost of $1,750,000, and completed her trials last November. The ship was found to have good manoeuvrability and excellent seaworthiness, and to be well suited for otter trawling. In fact weather conditions during her entire cruise were bad, with winds up to 70 miles per hour, but she was able to carry out successful fishing operations in winds up to 45 miles per hour and was classed as a dry ship. This is a term used when a ship is

very seaworthy and the high whaleback prevents the heavy seas from falling on the deck and disturbing the fishermen who are there processing the catch.

The fact that I mention this does not mean that I am advocating that this government assist private industry to construct ships the size of the *A. T. Cameron*. However, her design and construction plans could well be made available, and with some reduction in length to 125 feet such a ship could easily accommodate all the necessary equipment required for a successful deep-sea fishing trawler. With the setting up of an agriculture and fisheries development bank, loans could be made available of up to two-thirds of the ship's cost, with the bank taking a first mortgage on the ship as security. Because of the high initial cost, and the fact that in time of war this type of ship would be invaluable to Canada as a cargo ship, mine-layer or sub chaser, some encouragement should be given potential builders by increasing present subsidies or investment allowances. Repayment could be on a 15-year basis, and with our deep-sea merchant fleet almost non-existent primarily because of the actions of those who now repose in sweet repose in the opposition seats, I believe Canadians generally would welcome this type of shipbuilding program.

I would respectfully suggest that the government give serious consideration to these proposals by setting up the suggested development bank. It could operate independently under the Bank of Canada, with a separate board of governors to deal individually with all applications received. I feel certain that groups of fishermen, and individual companies throughout the Atlantic area, would welcome the opportunity offered by this type of lending institution. Such action would in turn inject new life into our Atlantic shipbuilding and allied industries, and the shipbuilding thus stimulated would increase our production, thus enabling us to expand our markets, and would be in line with the nation-building policy of this government. I believe it is necessary to encourage the construction of larger ships for a further and more important reason, namely the safety of our fishermen. The Fisheries Improvement Loans Act and other plans previously mentioned encouraged the construction of a large fleet of ships under 65 feet in length. These ships, as mentioned, can operate in comparative safety during the summer, but they cannot cope with the rigours of the North Atlantic in the wintertime. However, faced with the need to make a living plus loan repayments, some try to operate despite adverse weather conditions.

[Mr. Crouse.]

The Halifax *Chronicle-Herald* recently carried a stirring account of the loss on Nova Scotia's east coast of the long liner *Robert & Brian* on January 6, 1959. Incidentally, the *Robert & Brian* is one of the long liners that is mentioned in the directory of new Canadian fishing boats, so it exemplifies my remarks and is indicative of the length of the life of some of these long liners. This one did not live a year.

The account describes a miracle of rescue on the sea, where the long liner was being pounded to pieces on the rocks, and the ship was saved by a ship from Gloucester, Massachusetts, which came to the rescue. The captain stated that throughout he had made wireless contact with a station at Canso, Nova Scotia, and asked for helicopter assistance, but R.C.A.F. planes at Greenwood and naval air station Shearwater, near Halifax, were grounded because of weather, with winds of 35 miles an hour and temperatures below zero.

I believe this account further points out the need for the provision of a Canadian coastguard for our fishermen. Having assisted them with loans to build up a fleet of small ships, I believe it is also our responsibility to assist them in times of difficulty. I am not advocating a full blown coastguard on the same basis as the United States. However, we have ships in the Atlantic area operating under the Department of Fisheries, the Department of Transport, the Department of Justice and the Department of Mines and Technical Surveys, as well as our navy, and I see no reason why these ships cannot be directed to assist any fisherman who is broken down and in distress on the high seas by going to his assistance and towing him to the nearest land. Our fishermen on the east coast do not care what the service is called that assists them, so long as someone comes to their aid when they are in trouble. They should be informed whom they are to call when they are in distress, and this co-ordinator should have the authority to order the nearest ship of any of the above mentioned departments to the rescue. The implementation of this type of coastguard would not cost the Canadian taxpayer any additional amount, as the ships are already built and manned, and quite capable of doing this extra duty without impairing the service for which they were originally intended.

And now, Mr. Speaker, I commend the mover of this resolution and would ask that the government consider the points I have raised. It is a recognized fact within the industry that boats and gear must be improved in efficiency and in economy, not only to keep abreast of the times but also to meet

successfully the intense and growing competition from international fleets.

An examination of our present fleet, in comparison, for example, with European ships will show that we are lagging far behind in our construction of modern fishing trawlers. We must not only increase the length of our trawlers but we must capitalize on the improvements and developments perfected by scientists in recent years. Some of the changes which must be considered in our new ships, which are not now incorporated in their design, are the variable pitch propellers. A variable pitch propeller will enable a dragger to proceed more quickly to the fishing banks and return while enabling it, when on the banks, to tow a larger mesh net—or, in other words, use heavier equipment.

We must also give consideration to the new free piston engine. The advantages of the free piston system are particularly suitable for marine application, and some 29 ships are already in service or are being fitted with this type of engine. These engines burn almost any liquid fuel in order to generate a supply of hot gas, which is then piped to an orthodox type of turbine.

Another development which must be considered is the addition of refrigerated sea water tanks for holding the fresh fish. This is considered an improvement over the present method of icing the catch, and finally is the actual change in the hull design of the ship itself, with the winch placed near the stern of the ship and the trawl nets hauled astern rather than over the port or starboard side of the ship, as at present.

Some of these features are presently being used to good advantage by European trawlers, the most recent one being launched in Bremerhaven, in Germany, named the *Sagitta*. However, to modernize our Canadian fishing fleet in this manner requires considerable capital. I endorse this resolution to establish an industrial development bank, for it would make available that capital which is so urgently required for the modernization of our fishing fleet.

Mr. O. J. Godin (Nickel Belt): Mr. Speaker, I am pleased to rise in support of the resolution presented this day by my neighbour in connection with the establishment of an agriculture and fisheries development bank. I realize that I do not possess the copious notes that the hon. member who preceded me had and therefore I will definitely be much briefer. I would like to relate my remarks more specifically to that part of the resolution which deals with the advantage of having a development bank for the purpose of assisting our farmers.

In the Nickel Belt area we have three sections which are considered as farming areas: That of the French river valley, the Veuve river valley and the Sudbury basin, which sits or lies in the very centre of the Nickel Belt area and which is much renowned even throughout the world for the production of wonderful potatoes. I appreciate this opportunity to make reference to Mr. Despatie of that area in the Nickel Belt, who a very few years ago was the potato king grower of the world.

Our farms are faced with problems, and the problems, I think, can all be brought down to that of lack of capital. If there is anyone in my area who would benefit most by the institution of this development bank for agricultural purposes it would be our farmers and, may I state, Mr. Speaker, most likely the young farmers who in this day and age have so much difficulty due to the capital cost of beginning operations on a farm, which are so high.

I do not feel that I am an expert on farming, at least to the same degree as my hon. colleague, the member for Essex East (Mr. Martin), but I happened to have been born in Verner on a farm, and I do know quite a bit with regard to the situation which existed some 25 years ago. When I read about the problems of farming today I realize how times have changed and how a new and modern farm development bank would be beneficial to our people.

Perhaps I could make reference to other sectors of our communities or citizens who benefit by various laws, and with that I have absolutely no quarrel. I would like to refer to the industrial bank which plays such a great part in the development of our industries in Canada. It is most worthy, and I feel the day has come when a similar bank should be set up to assist the primary industries of farming and fisheries. I was fortunate today to receive an article which I think expresses my opinions on the subject and I refer to one printed in the *Rural Co-Operator* and written by the president of the Ontario farmers association, Mr. Gordon Greer, who had this to say:

> We as farmers need capital to operate our self-help programs such as our marketing boards and co-operatives; we are going to need this capital very quickly some day and it wont be there unless we initiate a system now which will overcome our difficulty. To us, the solution is an agricultural development bank, similar to the industrial development bank set up at present for certain industries.

And later on in this article, Mr. Greer goes on to say—and I should like this placed on record in *Hansard*:

On the other hand, perhaps the request for parliament (in the speech from the throne) to review and revise farm credit legislation to make credit more effective will result in a long overdue solution to our farmers' financial problems. Perhaps it will result in a means for our marketing boards and co-operatives to obtain capital for establishing processing plants, transportation systems and warehouses in order to continue helping ourselves as we have tried to do in the past. Perhaps this will provide an anwer to our needs, but we are inclined to think the proposed change in farm credit legislation will mean only an extension of loans to individual farmers.

We fully realize that the setting up of an industrial farm development bank could possibly only be undertaken with the fullest co-operation from the various provinces. We have seen difficulties encountered even in my own riding; some co-operatives have prospered and others have encountered difficulties, and I am speaking now about farm co-operatives. We have seen in Blezard Valley the closing down of a co-operative whose ambition it was to store potatoes for the purpose of marketing them more profitably.

If I might refer to the well-known program put forward a short while ago by the Leader of the Opposition (Mr. Pearson), I would point out that this program expressed the very thought which lies behind the Boulanger resolution, if I may refer to it in this way. I propose to read from this program at page 15, and since I only have a French copy before me, I will, with permission, Mr. Speaker, read it in French.

(Translation):

This party pledges to implement, with the co-operation of the provinces, a new and challenging program designed to better the lot of the farming population. To that effect, farmers, especially the younger ones, must be able to get the credit they need: long-term credit for financing land purchases and permanent improvements, intermediate term credit for financing things like livestock and machinery purchases.

To provide for those needs, we shall establish an agriculture development bank which will be responsible for all farm credit operations, rather than the Canadian Farm Loan Board; thus all transactions of that kind would come under the control of one bank directly responsible to the government. That agency would apply a large scale program to improve conditions on family farms.

Mr. Speaker, I was referring a while ago to the fact that other industries have their own bank. For instance, the one coming under the National Housing Act. We know that, so far, housing loans were granted particularly in cities and I believe that it is now time that substantial loans be granted to enable farmers to build homes in keeping with the period of prosperity we have been enjoying.

Mr. Speaker, I take pride in supporting this resolution asking the government to study the situation thoroughly so as to make possible, with the co-operation of the provinces, legislation designed to provide Canadian farmers with the credit they need for the progress of this primary industry for which our people have such a high regard.

Mr. Roland English (Gaspe): Mr. Speaker, a few minutes ago, you asked that all hon. members refrain from reading their speeches. Not only am I acceding to your wish but I shall abstain from making certain remarks, or even quote certain statements or speeches made in the past by the hon. Minister of Agriculture (Mr. Harkness) and the hon. Minister of Fisheries (Mr. MacLean).

Mr. Speaker, I did not want to let go this opportunity to say a few words about the resolution introduced by the hon. member for Drummond-Arthabaska (Mr. Boulanger), which concerns the establishment of an agriculture and fisheries development bank.

As I have already said in the house, in my constituency fisheries are one of the oldest and biggest industries. I have known the fishermen's trade having practised it myself during my summer holidays, at the time I was a student, to take care of my school fees. I have always been interested in the welfare of our fishermen, and I have never let them down. In 1937, I was given the opportunity to attend St. Francis Xavier University, in Antigonish, to study the fishermen's co-operative organization. After a year's stay I came back to my constituency where I organized the first fishermen's co-operative in my native parish of Riviere-au-Renard.

Since then, many co-operatives have been organized in Gaspesia. You find them in almost every community. Surely the part played by these co-operative groups is worthy of being brought to the attention of this house.

First, if you compare present conditions with those of twenty years, you will note that a tremendous change has taken place. In the old days fishermen had to sell their fish to firms which took advantage of the fishermens' unhappy situation and never paid them in cash. After a hard day's work, or at the end of a week of constant work, they would be paid in kind. Now, thanks to these co-operatives, fishermen have improved their situation and enjoy the same advantages as others, including the privilege of being paid

at the end of each week, which enables them to buy their supplies wherever it suits them.

I was reading recently the 1957-58 annual report of the United Fishermen of Quebec, this organization which, as I was saying, has done and is still doing very much for our fishermen, and I have noted the following comment by the general manager of united fishermen, Mr. Desourdy:

> Early in 1957-58, with fish stocks on hand worth $400,000 and with rather uncertain marketing prospects at the beginning of a new season when the catch looked promising, we had to proceed with great caution. While we had products to offer as a guarantee against our operating loans, there still remained a balance of $250,000 that we had to repay to the bank on the previous year's production, at a time when credit restrictions of 1956 were still in full force.
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> Besides, the abundance of stocks of frozen fish on the Canadian and American markets in December 1956 had resulted in a price cut which was still in effect and which lasted over half the year 1957. That situation even compelled many frozen fillet plants, of which six in Newfoundland alone, to shut down. The same remarks apply to salt and dried fish; during the first part of the year, certain quantities were put on sale below cost. Furthermore, the exchange on the American dollar, which was 1 per cent by the middle of 1956, gradually increased to 6 per cent in August 1957. That item alone cost us $51,000 during 1957-58.
>
> That is why the maximum price of the advance on cod fish was first authorized at ¼ of a cent less a pound than the year before; later on, that price had to be cut down further in certain places, on account of production and quality factors.

At that time, the fishermen in my constituency were getting 2¾ cents a pound. As I said a moment ago, when quoting the statement made by the general manager of the Quebec United Fishermen, ¼ of a cent less a pound had to be paid at the beginning of the season.

As I was interested not only in the fisheries of my constituency but in those of the whole country, I made a study of the fishing industry in the maritimes and in Newfoundland.

I found out that in Newfoundland, the price of fish was 2 or 2¼ cents a pound, which amounts to the average price. That price, in my opinion, is not adequate. If we want fishermen to take their trade at heart, and to continue to fulfil the role which their ancestors have played in the past, we must necessarily study their situation and do something to help them.

Mr. Speaker, I have already asked for a support price for our fish and I shall continue to do so, because the fishermen are worried. Those of the maritimes are worried also, because their problem, as I said a moment ago, is similar to that of Quebec fishermen.

A price support for fish would encourage fishermen to carry on and would prevent them from leaving Gaspesia to join the ranks of the unemployed in cities.

If we do something to bring back to the fishing industry those who have left it, I am convinced that we shall contribute to curb unemployment, not only in the city of Montreal but also in the province of Ontario. Many, many people in my constituency have left Gaspesia to try to find work in the cities of our province, or else in the mines of Ontario, thus swelling the ranks of unemployed. That is why I am glad to deal with the measure now before the house.

If you knew, Mr. Speaker, to what extent the cost of living has gone up for those fishermen. The price of fishing gear has increased threefold, even fourfold. Nets which we used to pay $25 or $30, are now selling at $85. The price of lines, hooks and boat building has also increased. In fact, everything has gone up, except the price of fish.

How then can you expect those people to go back to their former trade? They will reply: "It is impossible, we haven't the money to buy a boat, nets and other gear".

That is why I am glad to support this resolution. If we really want to help the fishermen, let us begin by doing something, and we shall thus contribute to curb unemployment in this country.

As I said a moment ago, Mr. Speaker, for the reasons I have just outlined, our young people are no longer very interested in this trade. However, I am convinced that if we could help those younger people, they would remain in the trade which their ancestors have always practised in our country.

In my constituency, the fishing season lasts six or seven months at the most. However, during that time fishermen must earn enough to pay the cost of their boats and gear, as well as provide for the needs of their families for 12 months. If fishing is not good, they suffer hardship, and at the beginning of each season, they always feel the same concern. Will fishing be good? Will we get an adequate price for our fish? If we really want to dispel that worry from the fishermen's minds, if we want them to take an interest in the fishing trade, and the young people to go back to the trade, we must provide them with the necessary equipment and help them as far as possible. The government must do something practical to

keep these people in their trade and encourage those who have left it to come back to it.

Mr. Speaker, before closing my remarks, allow me to quote a few figures that show that there has been a slowdown in the fishing industry, as reported in a quotation from the annual report of the United Fishermen of Quebec:

> In 1957, the yield of fishing operations in Canada was down as compared to the previous year. It must be noted, however, that 1956 had been a very good year—
>
> In 1957, the volume of the catch was only slightly less than in the preceding year, but the value of the catch showed a greater decrease.

In Newfoundland, in 1956, the catch of cod was 398,251,000 pounds, or 62 per cent of the total catch of the Atlantic provinces. In 1957, the catch was 400,800,000 pounds, or 63 per cent of the catch of the Atlantic provinces, representing an increase of 1 per cent over the 1956 catch.

In 1956, the Nova Scotia catch amounted to 125,473,000 pounds, while in 1957 it was only 115,081,000 pounds.

In New Brunswick in 1956, 38,957,000 pounds of fish were caught and 38,813,000 pounds in 1957.

My constituency, in which people engage mostly in cod-fishing, is divided in two parts because it is formed of two provincial constituencies: Gaspe north and Gaspe south. In the latter part, in 1956, the catch of cod was 34,219,100 pounds, and 38,856,900 pounds in 1957, an increase of 4,637,800 pounds.

In Gaspe north in 1956, the catch amounted to 7,877,100 pounds while it was only 5,484,500 pounds in 1957, a decrease of 2,392,600 pounds.

The Quebec united fishermen took 31,363,784 pounds of cod in 1956, while the catch was only 29,202,563 pounds in 1957, a decrease of 2,161,221 pounds.

There are many communities in my constituency where fishing is the major industry. There is for example Riviere-au-Renard, the parish where I was born, where the catch fell from 5,495,584 pounds in 1956 to 4,927,381 pounds in 1957. In Newport in 1956, the catch was 2,557,648 pounds while it was only 2,004,633 pounds in 1957.

Mr. Speaker, I could give many more figures but will pass them up. I just wanted to say a word on the subject so that you would realize that the production in the fishing industry has decreased, as a result I think of the fact that fishermen are giving up their trade. I do not believe, as some do, that the main reason is that there is less fish, although it is a common knowledge that fishing was not as good this year as it was last year. I think that the main reason is because fishermen are discouraged and giving up the trade.

Mr. Speaker, I second with great pleasure the resolution before the house and I am sure the government will do something to allay our young people's worries and make it possible for them to find the money required to buy modern gear that will meet the present needs. I am convinced that fishing will then increase and that our people will be a little happier as far as the future is concerned.

(Text):

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to say that this group supports wholeheartedly the spirit and the purpose of this resolution. I am not necessarily saying that this is the best, shall I say, mechanical procedure to achieve the end that the hon. member who introduced the resolution has in mind. We certainly congratulate the hon. member on bringing this matter to the attention of the house at this time. I shall deal particularly, with the resolution as it applies to farmers. I can speak from experience as a very small pioneer farmer who understands the problems and difficulties of the farming population at this time and particularly those on the smaller farms. I have a great affection for farmers. I have friends in Great Britain, in the maritimes, in Ontario, on the prairies and in British Columbia who have farmed for many years.

I think the farming population represents a very valuable segment of our population. It is among the farmers that you find originality, diversity of thought, independence and that sense of real values which is so necessary in the world in which we live today. In 1956 we visited some farming relatives in Great Britain and some farming friends on the Isle of Wight. I remember walking along a country lane and meeting an old farmer with a horse and a dumpcart full of manure. He was hauling it nearly a mile from his barn to the field. I got talking to him; I can talk Hampshire, and he understood me. I said, "Why don't you get a rubber-tired wagon? You could pull five times as much a trip. Look at the time you would save." He looked at me for a moment, scratched his head and I thought

that I had him. Then he turned around and said, "No, sir, it would not work; we would have to widen the gates." That is really the type of traditional farmer you get in a place like the Isle of Wight, which is the least mechanized part of Great Britain.

I remember another Englishman, a very fine type of chap, who came to our part of the country in B.C. He lived there for many years and died only a few years ago. He would always come to me for advice when he had a sick cow or a sick horse. He came one day and said, "I am not coming to you for advice, I am going to show you something original, and something that should be adopted by all people who consider the welfare of their cows." We went into his barn and found that he had made putties for his cows out of gunny sacks because the weather was cold.

I knew another old chap who died only a year or two ago. He farmed in a very isolated place. He was a sterling character. He told me that he was a happy man. What could a man wish for more than he had been able to achieve? He said he played cricket at Lords, golfed at St. Andrew's, loved a French girl when he was 21, had a perfect cribbage hand and farmed in the Kootenay for 50 years. This old gentleman, before he died, if he wanted to come out of the isolated place on the steamer, which called at his locality around midnight or one o'clock in the morning, did not wait up for the steamer as other people did. He was original and had some independent ideas. He would carry his cot out to the side of the lake, even in the winter, and place it in the snow at the water's edge, get into bed and the steamer would come along and they would throw their search light on him, see him there, stop, get out and carry his cot on board the steamer. They did not wake him up. They would place him next to the boiler and he would arrive at Procter the next morning without losing any sleep.

These are just two or three illustrations to indicate the character that farmers have, their diversity and the value they are to our economy.

We in this group are very concerned about the maintenance and perpetuation of the efficient family farm, because we realize the value it is to our total economy, and more than that the intangible values it brings to our society. The existence of the family farm at the present is not being threatened by people like us, democratic socialists; it is being threatened by the pressures of the so-called free enterprise system which is making it more difficult day by day for the small efficient farmer to survive.

This is not a problem entirely confined to Canada. Farmers were discussing this question in Great Britain when I was over there. It is a problem in the United States and it is certainly a problem in Canada because of the changing nature of our society and the necessity for the small family farmer to have adequate credit facilities in order to meet the expenditures required if he is going to be efficient and produce at a cost that will return him a decent living.

In this connection, I wish to quote briefly from one or two papers I have here. I am not going to read any speech. I understand Mr. Speaker warned the members against that practice. This is from the *Rural Co-operator* of Tuesday, January 27. There is a report here entitled:

No Axe For Small Farmer Hooked-Up Forum Decides

The report goes on to say:

The small Canadian farmer is not going to "get the axe" this year more severely than he has been getting it for the past six years. But, if he is to make a living adequate to keep him on the farm, he must have liberalized credit plus a fair price for his products.

I think those are the two essentials at the present time.

In a nation-wide farm radio forum broadcast this was the view of four panelists in Saskatoon plus that of forums tied into the broadcast from Moncton, New Brunswick, Ottawa and Barrie, Ontario, Winnipeg, Manitoba, and Lacombe, Alberta.

That shows the wide interest in the problem.

The panelists appeared before a crowd of delegates and visitors in Saskatoon for the annual meeting of the Canadian Federation of Agriculture.

I refer now to another section of the article having to do with the views of Mr. Turnbull, one of the panelists.

He favoured retention of the family farm on which the family controlled the capital, made the decisions and supplied most of the labour. "This is the type of agriculture in the best interests of agriculture. I am not in favour of the big factory-type of farm."

Under Canadian conditions I think that generally speaking most of us would prefer to see that type of agricultural development continue. I was looking at the *Christian Science Monitor* the other day and noticed an editorial dealing with a matter of considerable concern to the present government of the United States where they are trying to do something for the small family farm other than just provide subsidies for crops that cannot be sold under present circumstances. The editorial is headed, "To Aid Family Farms" and reads in part as follows:

Most Americans think of the family farm with pride, affection and nostalgia.

As far as I am concerned, I do so with nostalgia.

In these later generations it outranks the log cabin as a birthplace of presidents, and it still stands as a symbol of such virtues as initiative, integrity, self-reliance.

Since a man with a tractor can be just as incorruptible as a man with a hoe, there is no reason to doubt that these values will be perpetuated even in this radically changed world.

The editorial goes on to say at another place:

Today's family farm is, by definition now generally accepted, one which provides the living for the family and which is managed and worked by the family except for temporary help hired to meet seasonal peak needs. This farm is usually larger than yesterday's because mechanization of farms has forced the farmer to produce more in order to lower his unit costs and pay for his big investment in farm machinery.

But not all family farms could afford this mechanization, and many small operators have, for one reason or another, slipped into a marginal or near-marginal operation which keeps them barely hanging on.

I am sure that these conditions exist in every province of Canada. As I said before, I speak with some personal knowledge of the difficulties of the small farmer. We did not enjoy agricultural credit when I was a boy. Fortunately for us we had various relatives die in the old country periodically and these windfalls kept us going until we got on our feet, but that is not a very sound way to establish agriculture in Canada at this time. I know of the need for action from talks I have had with various farmers and young men in my own constituency.

In that connection I want to deal briefly with a summary of the report of commissioner E. D. MacPhee on the tree fruit industry of British Columbia which came to my desk this morning. I was very interested in the report because I attended some of the hearings and gave my opinion on a few things that directly concerned the fruit industry in the Kootenay. Commissioner MacPhee made a wide study of the problems of the fruit grower but what he has to say about credit applies equally in other forms to the general farmer, the dairy farmer and the stock farmer. He went into the question of the necessity of long term loans very extensively at every point that hearings were held. This is what he had to say in that connection in his recent report to the British Columbia government:

Mortgage companies are not a major factor in providing long-term loans in the valleys, nor does the commissioner believe that it is to be expected that the chartered banks of Canada will relax their arrangements and terms sufficiently to provide the necessary capital for the rehabilitation of the farms. Short-term loans, whatever their value for growers of annual crops, are of little significance in an industry where the produce requires a decade to develop—

[Mr. Herridge.]

Commissioner MacPhee believes it is the responsibility of the federal government to reorganize the farm loan board and to redefine its policies in such a way that these growers are able to undertake the re-establishment of their orchards without placing them under the annual pressures that follow from short-term loans.

The conditions under which long-term loans should be given are:

(a) The farm should not be less than 10 bearing acres, on soils and with climatic conditions that give a grower a reasonable chance of profitability.

I may say that that is the only place I differ with commissioner MacPhee in his report because I know people in my constituency who are making a reasonable living from five acres of cherries or peaches coupled with poultry farming or small fruits. I know of others who are making a reasonable living on less than 10 acres as part-time farmers who work in the woods in the winter and spend the rest of their time on the farm. I continue:

(b) Loans should be made only to those who have demonstrated managerial capacity better than the average of their district. A few managers may have a chance on an initial acreage of as little as 7 or 8 acres.

(c) Loans should be made for specific purposes, each one of which can be identified and valued:

(1) Replacement of dead and damaged trees;

(2) Top-working of trees to change a variety of low market value to more market-acceptable varieties;

(3) Replacement of obsolete varieties;

(4) Purchase of orchard land;

(5) The purchase of special orchard equipment, including trucks—;

(6) Land rehabilitation.

Then he goes on to recommend supervision and guidance such as has been provided by the Veterans Land Act administration, especially for young growers. I heartily endorse the suggestion of supervised credit because I have seen the success of the Veterans Land Act in my own constituency and other parts of British Columbia where there is a measure of supervised credit. Finally, I quote this part:

The commissioner has examined the statement of policy on farm credit issued by the Canadian Federation of Agriculture, and be believes that they have substantially indicated the changes required in the farm loan board act and its operations to make this useful to the fruit growers of these valleys. Only a very small number of growers have made use of this service in the Okanagan, and none at all in Kamloops, Salmon Arm or Creston. For certain designated groups, farm loans on terms similar to those recommended in the Canadian Federation of Agriculture brief are needed and will be used productively.

I mentioned that before because it applies directly to the need for long term, low interest credit in the fruit growing industry of British Columbia and because that is a matter of serious concern to a good number of my constituents. But it is also of great interest to those carrying on other types of agriculture and I want to give a few illustrations.

Strangely enough, in the last year or so I have noticed a tendency for young men to want to go back to the family farm. I do not know whether it has been noticed in other districts. After the war industry attracted men for some period of years but because of the recession and the fact they are out of work a number of young men I know are anxious to go back to the farm.

I know a young chap who wants to take over his father's farm. It comprises 240 acres of first-class land with buildings in fair condition, but to be successful under present circumstances he requires a considerable loan over a long period of years. He has to improve some of the buildings, buy modern machinery and make other improvements to the property that are essential if he is going to produce efficiently and at a cost that will leave him a satisfactory living.

I know another farmer who operates a stock farm of about 200 acres. He has three boys growing up. The boys are all interested in farming. None of them is academically minded. They do not want to go to university or obtain higher education but they will make first-class farmers. They are interested in raising cattle, horses, hogs and sheep as a means of making their livelihood. But in order for these boys to become established on their own land under present circumstances, and there is excellent land in the district, it must be made possible for them to obtain a long term low interest loan. I think, Mr. Speaker, and I have said this before, that when we can do the things we have done, and rightly so, for people coming to this country, and spend the money we have spent under certain circumstances, we can provide these young Canadians with the capital required for them to establish themselves in farming.

I know of another chap who wants to take over his father's fruit farm. Six or seven years ago he turned up his nose at the fruit farm. He has had a bit of experience in industrial work. He received high wages for a short period and then he would be out of work for a time. He has now been out of work for a considerable time. He realizes that his father's farm is a better place than he considered it to be when he left. He wants to take over this farm, but in order to do it satisfactorily and successfully this capable, hard-working young man, must have an opportunity to obtain long term, low interest credit.

In some cases the money is required to purchase farms and in other cases to improve farms, to improve buildings or purchase machinery. I have spoken briefly to the house concerning some of my own experiences and some of the conditions which exist in my own constituency. I am sure these conditions are repeated in every agricultural riding in Canada. I was pleased to note that, according to indications in the speech from the throne, the government is giving consideration to this problem. I, and other members of this group, and I am sure all members of this house, trust that before this session concludes this government will take action so that young Canadians who wish to farm, who have the capacity and ability to farm, will be able to obtain long term loans at low interest rates, and in so doing will be able to add to the total wealth of Canada and their own enjoyment, happiness and welfare.

Mr. H. W. Danforth (Kent, Ont.): I rise with pleasure, Mr. Speaker, to speak on this resolution moved by the hon. member for Drummond-Arthabaska (Mr. Boulanger) because it relates to a matter of credit and credit facilities for the primary industries of agriculture and fishing. The people engaged in these two industries make up the greater portion of the inhabitants of my constituency. In the few minutes that are allotted to me I shall not spend time in recriminations or criticisms of past legislation or governments. Certainly, we have just concluded a debate in which we heard these criticisms made by some of the intellectual giants in this house. Rather I should like as simply as I can to point out why there is a need for this credit and why the proposed legislation does not fully meet the requirements of these two primary industries.

First, I should like to take the opportunity of refuting, most strongly, any picture that may be in the minds of the Canadian people that farmers and fishermen are continually approaching the government with their hands out like beggars seeking alms. Nothing could be further from the truth. Farmers and fishermen certainly do not seek charity, but as a result of circumstances over which they had little control they are forced into a position where more credit is necessary for the successful operation of their business. All they seek is an extended source of credit at interest rates which are legal and justified, and they have every intention of fully repaying the government. I should like, in further amplification of my remarks, to deal with both agriculture and fishing, but to deal with them separately.

I am certain that hon. members will agree with me that the need of agriculture for more credit hinges perhaps on the great industrial revolution that this country has undergone in the past few years, resulting in a greater demand by industry for our labour. Since the demand for labour increased

we were faced with a consequent increase in the price of this labour. These higher wages have resulted in an increased cost for everything that the farmer bought. He found the price of everything he sold being reduced, and his margin of profit being greatly reduced.

Many people engaged in agriculture, are considered to be anti-labour, but such is not the case. The ordinary farmer does not begrudge the working man his way of life, and he certainly does not begrudge the greater earning capacity of the working man today. Any farmer who is thinking about the problem at all will realize that the more money available to the wage earner, the more money available for the purchase of his products. What the farmers across this country are concerned with is the unavailability, at times, of the necessary labour for the success of his business.

Some very strange relationships, however, do arise between farmers and some individuals in the labour force. These strange relationships arise at a time when the farmer is in dire need of additional labour. I am in a district in which the unemployment figures are high. Last fall the farmers of my constituency were offering from $15 to $22 per day in order to entice labour to their farms, but they were unable to find anyone who would accept their offer. While many Canadians are talking about the severity of unemployment, in my constituency we are faced with the desire by many farmers to encourage immigrant workers from Europe next year in sufficient numbers to take care of their problem.

The inability of the farmer to secure the necessary labour, forces him into one of two alternatives. On the one hand, he may curtail his farm operations to nearly skeleton operations, and he may seek a position in industry to augment his income, thus swelling the labour force. On the other hand, he may seek additional capital to acquire the machinery necessary to replace the labour on the farm. How is this capital to be used to aid the farmer on the farm? Farmers, as a whole, are very pliable and when faced with a situation that seems almost insurmountable they seek ways and means of going around it. Today, farmers are constantly seeking new machinery to take the place of the labour force which is no longer available. They seek new machinery that will reduce their production costs and increase their production. Although this is very sound business, it requires a large outlay of capital. Farmers, for the most part, do not have enough capital in reserve to take care of these necessary expenses.

Legislation in the past has enabled farmers to borrow up to $5,000 for farm implements, but in order to borrow this $5,000 he had to provide a third of the cost price of these implements himself. That provision was of great benefit to farmers a few years ago, but now it certainly does not seem high enough. Many farms today—and I do not speak of large farms or farm corporations but farms of 100 to 500 acres—in my riding require from $10,000 to $60,000 worth of necessary machinery. To convert from a general farm to the new type of livestock farm requires $10,000. The purchase of a single piece of equipment in my constituency—for example, a sugar beet combine together with the necessary tractor to carry it—results in an expenditure of some $7,500. A self-propelled combine can vary in price from $4,000 to $11,000, depending on the type and size. To drain by tile 100 acres in my constituency today requires the expenditure of $10,000. An equal amount would be necessary today to establish a foundation of stock on an ordinary farm—I refer to breeding stock—either dairy or beef.

I am certain that hon. members will agree with me that in these circumstances the limit of $5,000 does not go too far in solving the problem. Here is where a greater credit provided by government to the farmers would aid in allaying the fears of the farmers with respect to vertical integration. Farmers fear the vertical integration which is taking place today, or this matter of contract farming. It is true that it is another source of credit to a farmer, but in return for the necessary expenditures by feed, fertilizer or packing companies to rebuild his buildings, to provide the necessary livestock and feed to carry on this new type of operation, the farmer in return loses control of the sale of his produce, he loses to a degree the control of management and he finds himself reduced to the rank of an employee.

This system does not always work out beneficially to the farmer. There have been instances when through misfortune farmers have lost their farms because of such enterprise. It does not always prove beneficial to the companies, although they use this means to put their products into the hands of the farmers. It does not always work out to their advantage because of failure of these farms, which is costly to the companies as well.

The question arises: if farmers are in such severe circumstances, why do they farm? Why do they not just go out and get positions in industry? Why this constant battle for more credit? May I say that the answers to these questions are varied, but I think one is to the effect that farming in Canada is more than an occupation. Farming to farmers is a way of life; and many farmers and their

families would find it very difficult to change their way of life from that of farming to that of a wage earner. May I also suggest that farmers knowing their business realize, perhaps more than does anyone else, what would happen in this country, if farm products were not available on Canadian farms.

It is true that when farm products are in abundance in other countries the purchasers of Canadian products may, in some instances, be able to purchase products which are necessary at a lower price. This happens when, as I say, there is an abundance in all other countries. But if there were not an abundance —were there a scarcity—may I point out that the results would be disastrous to the Canadian buyer.

May I illustrate? During the war at one time owing to an embargo there was a temporary scarcity of celery. This product normally sells for $1.50 to $3.50 for a three dozen bunch crate. At that time the price here in Canada rose to $28 for three dozen bunches and the celery retailed at $1 a bunch. Since that time here in Canada, to give further examples, in times of scarcity tomatoes, usually bought in any grocery store for from 15 cents to 35 cents a pound retailed at 90 cents a pound. Soybeans presently marketable at $1.85 a bushel rose at one time to $4.85 a bushel. These fantastic prices prevailed with our farmers in production. Can you imagine what would have happened in Canada to the prices without this production?

The very complexity of farming today means increased cost and more capital. Every advancement is costly. The farmer today is no longer an individual with a green thumb. He is an agricultural technician, equally at home talking soil chemistry, long range weather forecasting, market possibilities or world supply and demand. His education is costly, his training is expensive, his tools are more expensive, land values are high and his operating costs have multiplied.

This industrial revolution and the consequent change in our Canadian way of life has been too rapid for the industry of agriculture to change itself over to meet this new demand; and until it does so farmers are going to be greatly in need of extended capital. A $15,000 maximum on loans with which to purchase a farm today does not seem to be too realistic an approach. In my riding $15,000 would scarcely make a down payment on a 100 acre submarginal farm. Certainly it would not do so on a farm on which the production would be such as to enable this capital to be paid back in any foreseeable future. Agriculture does need help for more efficient and profitable operation.

Aid to Farmers and Fishermen

Now may I turn for a few moments to fishing. It may seem strange for me to rise and speak on the need of the fishing industry for credit. Certainly there are very few ridings as far away from the oceans as is the one that I represent. But the facts are that my riding is the centre of one of the largest fresh water processing fish plants in the world, processing each year some 20 million pounds of fresh water fish. Of the sales from the province of Ontario each year of $7 million worth of fresh water fish, $3,500,000 worth or over half comes from my constituency.

We border on two of the great lakes—St. Clair on the northwest and Erie on the south —and fishing in these lakes is of major importance to us. Our fishermen are faced with the same problems as farmers, namely lack of money and credit to enable them to expand fast enough to take advantage of these changing times. This may be hard to imagine, but the fact is that the value of necessary equipment to some fishermen on lake Erie today exceeds the total capital outlay of all the fishermen on the north shore of lake Erie 30 years ago. Under existing legislation it is possible for a fisherman to borrow up to $4,000 on a boat, and at one time this did represent a considerable help. Today this would hardly cover the cost of the nets and accessories required, and the normal cost of a fishing boat operating out of lake Erie ports runs from $35,000 to $60,000 which is a tremendous investment.

Because of the much greater capital outlay, maintenance costs are considerably higher. Careful as they may be with them, nets have to be constantly replaced because of deterioration and there is also the constant fear that all the nets may have to be replaced due to loss by storm or ice—hazards which are to a large degree unpredictable on lake Erie.

There is a source of credit available to the fisherman which is on a par with the vertical integration on a farm. If a fisherman lacks the necessary credit for a new boat he may obtain a loan from a fish processing co-operative or from a boat builder. In many instances this is the only thing that has kept him in business. On the other hand, if these sources had been in unscrupulous hands, the fisherman would have been forced to market his fish at only one source, and been obliged to grant other concessions that would take all the initiative and enterprise out of his business and reduce him to the rank of day labourer.

Repayment of loans on these costly ships is, in addition, a long process and there is always the danger that two or three years

of poor catches in succession would cause the fisherman to lose his boat to his creditor, and this would represent the loss of the total savings of half a lifetime. I know one fisherman in my constituency who has operated a new boat for over four years. He had been forced to purchase a new boat because of an explosion which destroyed his old one some five years ago. He informs me that he finished paying for the old boat this year and that next year he will be in a position to begin paying for his new fish boat, a boat which is already five years of age.

There have been instances of great losses of equipment in the lakes due to storms and ice. The present regulations make it necessary for a fisherman to put up at least 30 per cent of the money for replacement, and loans on this type of equipment can only be made to the extent of $4,000. It is a fact that in many instances $4,000 would only be a start, having regard to the total expense involved. What the fishermen really need is a source of credit in keeping with the size of the industry today and also one which can process applications with great rapidity, especially if the need arises during the actual fishing season when the loss of two weeks' fishing could very well mean the difference between a profit and a loss on the whole season's work, because a fisherman can never be certain as to the actual length of the season.

While I certainly endorse the principle of an expansion of existing facilities to the two primary industries of agriculture and fishing, I am not at all certain that the consolidation of the existing credit facilities under an agriculture and fisheries development bank would be the solution of the current problems. We need a method which, while as simple as possible to operate, will yet accomplish the ends desired. Two factors are vital—larger credit, and a speedy yet accurate processing of applications. It seems to me that it would be extremely difficult to accomplish these ends if both industries were handled through the same channel. We cannot expect a local bank manager to be the final judge in every instance or to be an expert in both these great fields. It seems to me that a board of men familiar with the fishing industry must be the judge of the merit of applications by fishermen and that a similar board of agricultural experts should process farm applications.

Farmers and fishermen know full well that legislation will never at any time solve all their many and complex difficulties. They are also keenly aware that Canada, as well as other nations of the world, is in the process of undergoing great changes which can and will bring about many alterations in our way of life. The two industries are today not merely seeking a method whereby they may exist from day to day, but are earnestly seeking ways and means of enlarging and moulding their development in order that they may assume their rightful place in our world of tomorrow.

I am certain that this will be accomplished. These two industries do not lack the necessary manpower; they do not lack the necessary knowledge; they do not lack the courage. What they do lack in some instances is the necessary capital, and I am sure that hon. members who are here in deliberation could find ways and means of providing the capital necessary for these ventures. We are not yet in a position to support the establishment of a development bank, but we certainly do support the suggestion that there is a need for more credit. In any situation where machinery is set up to look at the credit ratings of people engaged in the two primary industries of fishing and agriculture may I suggest that it would be most advisable to appoint men who have themselves been engaged in these industries, and who are experienced in them, to scrutinize the applications as they are submitted. I truly feel that, perhaps with some modifications, the existing agencies which are responsible for extending credit to these great industries could become the means of an adequate credit system.

Mr. W. H. McMillan (Welland): Mr. Speaker, I was greatly interested in the remarks of the hon. gentleman who preceded me because he comes from my native county of Kent. I wish to congratulate him for his speech in which he went a long way in supporting the motion put forward by my colleague on this side of the house, the hon. member for Drummond-Arthabaska (Mr. Boulanger).

I am very much in favour of this resolution by which credit would become more readily available to our farmers and fishermen. I am not familiar with the fishing industry but I do know that those engaged in it require long term credit for the purchase of boats and other equipment and short term credit for other aspects of their operations.

Canada has a high cost economy and we know it costs considerable money to run a general family farm. Because of the high cost of machinery and other equipment it is necessary for the family farm to consist of more acres so the equipment can be amortized over a shorter term. I can well recall a time when 100 acres of general farm land was a profitable operation but this is not so today and a farmer must have more land to operate successfully.

The availability of long term credit would provide the Canadian farmer with money to buy more land or to improve the land he already has. Many farm homes are dilapidated and long term credit could be utilized to improve these homes or to provide suitable new homes, barns and other farm buildings. This would go a long way to making more economical the operation of farms and would serve to keep many of our young people on the farm instead of moving to the cities where they swell the ranks of the unemployed. On the farm they would find life more pleasant and rewarding. At the present time in my area many young people have left the farm to go to the city. Some are able to obtain work in industries at attractive wages but frequently their employment lasts only for a period when the economy runs high and they find themselves unemployed in periods of recession. Many of these young people move to the cities because they do not have the capital with which to establish themselves on a farm.

Economic conditions on the farm have changed greatly over the years just as there have been changes in other parts of our society. In order to meet these changes I should like to see credit extended to farmers through one government agency and embodied in one act so that the provisions of this legislation would apply with respect to the larger farms in the west, the smaller farms in central and eastern Canada and the smaller specialized farms such as we have in the fruit and vegetable growing areas in Canada. To make this operation feasible the federal government would need the co-operation of the provinces. Together they could provide farmers with money at reasonable rates of interest and also provide technical assistance and other information and help with marketing programs.

I believe that the fruit and vegetable farmers must receive some special consideration. We know that fruit crops come on very rapidly and when fruits such as peaches ripen the crop must be harvested at once. If left the fruit will spoil and therefore the crop must be processed almost immediately. In the Niagara district a United States firm has bought up a number of Canadian canneries which have since closed down. The lack of cold storage and processing plants has meant that many farmers in the area could not sell their full crop. Last year many peaches in the area were left on the trees to spoil or rotted on the ground. This has had the effect of leaving much of our market for canned fruit and vegetables available to United States producers because Canadian producers were not able to process their fruit.

I appreciate that we are living in a free enterprise system and I know this government could do nothing to prevent the purchase of these canneries by United States firms but the condition that has resulted has been most unfair for our farmers and has served to work in favour of United States producers. I believe the federal and provincial governments should co-operate to do something about it. I believe they could be of assistance in extending credit to these growers to provide adequate cold storage and processing facilities. This would help our fruit and vegetable growers as well as provide our consumers with superior products.

I have spoken in this house on various occasions concerning the seasonal tariff on fruits and vegetables. What was realistic some twenty years ago is not realistic today because of the development of different varieties of fruit. Some fruits such as peaches which used to ripen over a period of seven weeks, let us say, now ripen over a longer period of about 12 weeks. With a seasonal tariff extending over a period of seven weeks only a portion of the peach crop is protected. With modern cold storage facilities the producers in the United States are able to keep their fruit in cold storage and bring it in immediately after the seasonal tariff is lifted.

I have received a letter from the Welland county council signed by Mr. C. H. Thompson, the clerk-treasurer, in which they go on record as supporting a resolution prepared by the united counties of Northumberland and Durham at their January session. I should like to read a part of this resolution:

> Whereas certain regions of the province of Ontario have a rich agriculture potential in the production of canning crops and fruits and vegetables, and
>
> Whereas the canning industry has meant much to the economy of these areas both to the primary producer and to the labour force, and
>
> Whereas the controlling interest in many canning and processing plants has been purchased by American firms, and
>
> Whereas as a result of this control, many canning plants have been closed permitting produce grown in other countries to be marketed in our country thus replacing our home grown produce and resulting in a definite financial loss to the primary producer and the economy in general,
>
> Therefore be it resolved that these united counties of Northumberland and Durham go on record as being opposed to this American control and that we petition the Ontario Agricultural Council and the Minister of Agriculture for Ontario to negotiate for protective tariffs or other measures to remedy the situation and, in the event that the present situation is not remedied by protective tariffs or other measures, the Ontario and federal governments be asked to assist in the establishing of canning and processing factories on a producer-co-operative basis similar to co-operative storage and packing plants.

They wanted this resolution sent to various members of parliament and this was done.

I am not going to speak any longer, Mr. Speaker. Several members have spoken on the government side and I would like to see this resolution come to a vote. I have been in this house quite a long time. To talk this resolution out would remind me of two spent swimmers who cling together and choke one another's art.

Nearly every hon. member who has spoken on the other side of the house has spoken in favour of this resolution. If they would let it come to a vote and not choke the art of the opposition who proposed this resolution we would be very happy indeed.

(Translation):

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, my first words are meant for you personally, as I wish once again to pay you my most respectful compliments. Your intellectual stature and judgment are such as to make you one of the most outstanding men in this parliament.

I should also like to pay compliments and respects to the hon. member for Longueuil (Mr. Sevigny).

Mr. Speaker, the Conservative government has been in power for only a few months, yet it has realized more than any previous government that agriculture must remain the cornerstone of our economic and national stability. Already, the Agricultural Stabilization Act has been of great benefit to the farmers. The speech from the throne has announced that we shall soon have crop insurance legislation, a measure that is several years overdue, since similar legislation has been in force in the United States for the past 20 years. All the producers, all the farmers in Canada are pleased with the speed with which the Conservative government is taking action to help the country's farmers.

However, Mr. Speaker, I was rather surprised to see the hon. member for Drummond-Arthabaska (Mr. Boulanger) introduce this resolution, considering that the Liberals were in office for about 25 years and hardly ever did anything for the farmers. This resolution, I would think, should have been put forward when these gentlemen were in power. But no, Mr. Speaker, they preferred to remain seated. Most of them saw no need to concern themselves with the farmers.

Mr. Speaker, I know I express the views of the UCC and of co-operative organizations in my constituency in making suggestions concerning the federal farm credit legislation. First, the interest rate on farm loans should be lowered within the reach of the farmers, because in my estimation, the present rate is too high. Second, the farm loan act should be broadened to enable Canadian farmers to buy agricultural implements, or any other item that serves to improve their farm, such as irrigation systems in the case of tobacco producers. In addition, federal farm loans should be granted up to 75 per cent of the value of the land, in so far as the security allows, after taking debts into consideration. The government should also, even if this meant setting up a special agency, grant long term loans to co-operative societies that need them.

I would like also, Mr. Speaker, to challenge an erroneous statement made by the hon. member for Drummond-Arthabaska. The hon. member said, during his speech, that the Liberal government had loaned $800 million to the farmers. I say, Mr. Speaker, that is not true. The Canadian Farm Loan Board has made $120 million available to farmers while $680 million were loaned by the banks—

Mr. Habel: Guaranteed by the government.

Mr. Pigeon: —and not by the government.

Mr. Habel: Guaranteed by the government.

Mr. Pigeon: No, it was not entirely under government guarantee, but those loans were guaranteed only in the proportion of 15 per cent, which is not the same thing. The hon. member should find out—

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

Mr. Pigeon: If you want to, but may I ask the hon. member to allow me to get through with my remarks? If he wishes to speak, he could do so then. I did not interrupt him during his speech, and I am telling the truth. The hon. member has misled the house. The Liberal government did not lend $800,000,000—

Mr. Deputy Speaker: Order!

Mr. Boulanger: You did not understand what I said.

Mr. Pigeon: Will you let me speak, please?

Mr. Speaker, allow me to point out to the house the existence of a lending organization which operates in the world, and more particularly in Canada, to establish a comparison with the federal farm loan system.

We have in the province of Quebec, for instance, a provincial farm loan which, according to the results and figures, does marvellous things. We must pay here a tribute to the hon. Minister of Mines and Technical Surveys (Mr. Comtois) who, in the past and for many years, has been the manager of

the provincial farm credit board. I congratulate him for the services he has rendered to farmers in the province of Quebec.

Mr. Speaker, I strongly urge the present government which, I know, is improving farming legislation and wishes to help farmers, to take as a guide, if possible, the provincial farm credit legislation which has been and which will be of tremendous service to farmers.

The Quebec board was founded in 1936 and made its first loans in 1937. An amount of $170,000,000 was made available to the board. In 1940, the government of the day decided to amend the act and to stop lending money at 2½ per cent for a period of 39½ years; this represented a repayment of principal and interest of 4 per cent a year. To put it differently, a person would borrow $1,000 and repay $20 including principal and interest, every six months, for a period of 39½ years. By the 1940 amendment, the government raised the interest rate to 3 per cent and shortened the duration of the loan to 25 years. The rate of repayment of principal and interest then increased from 4 per cent to 5.714 per cent.

In 1945, the act was amended again to bring back the 1936 conditions. Mr. Speaker, no other government in the world lends money at such favourable rate of interest, that is 2½ per cent. This is what the government of the province of Quebec is doing today. On March 31, 1958, we see that, through the provincial farm credit board—

Mr. Boulanger: On a point of order, Mr. Speaker.

Mr. Pigeon: Will you please let me finish my speech.

Mr. Boulanger: I rise on a point of order, Mr. Speaker, and say to the hon. member now speaking that he is not dealing with the matter before the house, he is talking of the government of the province of Quebec.

Mr. Pigeon: Mr. Speaker, may I point out to the hon. member for Drummond-Arthabaska that his motion tends to extend farm credit facilities. I am now talking about this matter. I am dealing with credit and giving examples. I make suggestions and I try to show the house examples of improvements that could be made to the federal farm credit system. I am talking of a kind of credit which exists in my province, the province of Quebec.

Mr. Boulanger: It just happens to be that of the Union Nationale.

Mr. Pigeon: There is no question of provincial policy; your leader is Mr. Lesage. At this moment, I am talking about federal policy. On May 31, 1958...

Mr. O. J. Godin (Nickel Belt): On a point of order, Mr. Speaker. This house cannot amend any provincial law in any way and I don't think we should be discussing the merits of a provincial legislation since we are discussing a federal law.

Mr. Pigeon: Mr. Speaker, I am only giving an example—

Mr. Deputy Speaker: I think it would be better fo rthe hon. members to restrict themselves to the motion before the house. Nevertheless, I would like to tell the hon. member for Nickel Belt (Mr. Godin), and the hon. member for Drummond-Arthabaska (Mr. Boulanger) that the comparison the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) is making at the present time between a credit board in one province and another one which could exist at the federal level is not out of order, provided the hon. member for Joliette-L'Assomption-Montcalm does not go beyond the scope of the motion before the house. I think he can go on with his speech.

Mr. Pigeon: Thank you, Mr. Speaker.

On May 31, 1958, it should be noted that the Quebec farm credit board—I want to quote some figures, Mr. Speaker, to show that the kind of farm credit we find in the province of Quebec gives good results—loaned $155 million to 54,053 farmers. Of that money, approximately $26 million were used for the settlement of farmers' sons. Of the total number of these loans, 14,152 have been paid back in full by the farmers; they have paid back $22 million through time payments and roughly $30 million before due date.

Mr. Speaker, a table prepared by the Canadian Farm Loan Board, indicating in detail by province the number of farm loans granted and the amount loaned up to March 31 1957, shows that since the establishment of that board, first and second mortgage loans were granted across the country to 46,465 farmers, while the Quebec farm credit board made loans to 54,053 farmers. Any enterprise is judged by its results. Mr. Speaker, I want to tell this house that the Quebec farm credit board has made available, in that province alone, more money than the Canadian Farm Loan Board has on a national basis. That is why, Mr. Speaker—

Mr. Boulanger: You grant loans to get votes.

Mr. Pigeon: —I would be very happy if the federal government would adopt, if possible, the legislative pattern of a province, in this case the province of Quebec. If hon. members opposite have any suggestions to make concerning a farm loan board existing elsewhere, they may rise and put them to the house.

Mr. Speaker, allow me to establish comparisons between the federal farm loan board and that of the province of Quebec. Briefly speaking, the report of the Canadian farm loan board for the financial year ending on March 31 1957 reveals that for the twelve months in question, 139 loans totalling $707,-350 were approved in the province of Quebec.

Those figures must be compared with the 3,448 loans approved by the Quebec farm credit board from January 1, 1956 to December 31, 1956, totalling $13,825,075.

The maximum loan approved by the Quebec farm credit board is $9,000, and the board may loan, if the security permits and if the debts warrant it, up to 75 per cent of the actual value of the land, while the Canadian Farm Loan Board, when granting a loan, is still limited to 65 per cent of the value of the security.

A loan of $1,000 obtained from the Quebec farm credit board is repayable at the rate of $40 a year, interest and capital included, or $20 twice a year; the duration of the loan is 39½ years. A loan of $1,000—

Mr. Boulanger: Mr. Speaker, I rise on a point of order. The hon. member for Joliette-L'Assomption-Montcalm is outlining the policy of the provincial government in regard to farm loans. In my opinion, he should limit his remarks to the resolution before the house. Therefore, I submit that he is out of order.

Mr. Pigeon: Mr. Speaker, allow me to make an incidental remark. In his resolution, the hon. member for Drummond-Arthabaska (Mr. Boulanger) talks about increasing the present credit facilities open to farmers. I am talking about federal farm credit and also of all types of credit, including the one existing in one province, that is the province of Quebec, and I am making suggestions.

(Text):

Mr. Speaker: It seems to me that it is relevant to a discussion of what steps might be taken here to expand agricultural credit to know what other credit facilities are available to farmers and to draw comparisons between the proposed policy and existing legislation. I would think it was relevant.

Mr. Chevrier: May I be allowed to say one word on the point of order? The member has been pointing to the distinction between federal credit facilities and provincial credit facilities. I think Your Honour has ruled on more than one occasion, as has the Deputy Speaker, that matters of provincial jurisdiction should not be discussed in the house. I remember one occasion when one of our members—I cannot recall who it was now—was discussing a matter having to do with provincial administration or provincial politics and was called to order. I would be the last one to prevent the hon. member for Joliette-L'Assomption-Montcalm from proceeding as he is doing except that I think that he is going beyond the intention of the rule when he establishes the difference between the two and goes on to say how much more appropriate and beneficial the one is than the other.

Mr. Hamilton (York West): Mr. Speaker, this is the second time this point has been raised in the last few minutes, and it seems to me that the ruling you have made certainly covers the situation at the moment. I do not know what my hon. friend has in mind when he refers to provincial legislation being discussed on previous occasions. Surely the member who has the floor should be allowed to draw comparisons between what is available to the farming community under provincial legislation and what is available under federal legislation. It may be that he is leading up to a point where he sees some improvement which may be required in the federal legislation, and I think it is only reasonable that he should be allowed to continue.

Mr. Chevrier: He is taking a long time to do it.

Mr. Speaker: With all due respect to the hon. member for Laurier and his wide experience in the house, it seems to me it is permissible to make comparisons and to draw conclusions from those comparisons. It would be improper to confine one's remarks entirely to the provincial system. As I see it, it is relevant to discuss the provincial system and its results for the purpose of illustrating an argument that there should be additional or other federal provision. I hope the hon. member will do so for that purpose only.

(Translation):

Mr. Pigeon: Thank you, Mr. Speaker.

A loan of $1,000, which can now be obtained from the Canadian Farm Loan Board, involves a yearly repayment of $66.10 payable in two semi-annual instalments; its duration is 30 years.

For the twelve months ending March 31, 1957, the Canadian Farm Loan Board has approved loans all over the country for a total of $13,978,700. The Quebec farm credit board has approved, in the province of Quebec alone, and for a period of twelve months also, loans totalling $13,825,075.

In 1956, the Quebec farm credit board has refunded $294,531.24 to the Canadian Farm Loan Board.

It has then been claimed that this meant a mere shifting of debts, and here again the use of the loaned sums must be explained. A table for the single year 1956 shows that the money spent during that year was used as follows, and I am still referring to the Quebec farm loan act:

(a) for the establishment of farmers' sons and the purchase of land	$ 8,645,400 or	63.91%
(b) For increasing the size of farms	289,800 or	2.14%
(c) For new construction, including houses, barnstables, chicken coops, pig-sties	1,649,635	12.19%
(d) For major repairs to buildings	911,175	6.74%
(e) For farm organization and miscellaneous improvements, installation of electric power and running water, extension of cultivated land through mechanized works, etc.	348,470	2.57%
(f) For mortgage debt consolidation	1,683,920	12.45%
Total	$13,528,400	100 %

The Canadian Farm Loan Board, which was established in 1929 through legislation, loans money at 5 per cent per annum, and 5½ per cent on arrears. This is too high. The act should be revised so as to reduce the interest rate and thus put loans within farmers' reach. The former government always refused to amend the Canadian Farm Loan Act. It preferred to loan the people's money to big business. It preferred to loan $80 million for the pipe line at 3 per cent interest. It had no concern for the farmers. I am confident that the present government will not waste its time for 25 years, as the former administration did, but that it will continue to work for the average Canadian, for the farmer, as it has been doing in the few months since it took office.

Aid to Farmers and Fishermen

Mr. Speaker, if agriculture is prosperous in Canada, the whole nation will be prosperous, because agriculture is the economic barometer of the nation. A farmer, when prosperous, has considerable buying power. He contributes to the support of other groups of citizens. With agricultural implements so costly, it is an absolute necessity that the Canadian Farm Loan Act be amended and expanded so as to allow farmers to purchase and renew their agricultural implements. A farmer must also improve his farm machinery in order to meet the serious problem of manpower. Farm workers are getting scarcer and scarcer, and more implements are necessary to balance this. The scarcity of farm labour forces the farmer to mechanize his farm. His whole future is at stake. For instance, the number of tractors on the farms of the province of Quebec has increased from 5,869 in 1941 to 54,322 in 1956.

Mr. Speaker, as I said a moment ago, it is of vital importance to the future of the people of Canada, to the future of agriculture, to modify the Canadian farm loan system. I have given examples. I have dealt with farm credit which is in operation in our province. I have talked about the province of Quebec. I know that the members for the province of Quebec are not ashamed of their province; even the hon. member for Laurier (Mr. Chevrier) must be very happy now to live in the province of Quebec.

Mr. Speaker, I am sure that the government of Canada, the present government, will introduce the necessary amendments to improve the Canadian farm loan system. According to the figures I have quoted, the Quebec farm loan board has bettered the record and has lent much money. So, I cannot see why the federal farm loan board could not do better or, at least, just as well as the provincial board. May I also, Mr. Speaker ... May I call it six o'clock?

Some hon. Members: No.

Mr. Boulanger: Mr. Speaker, may I ask a question of the hon. member, since he wanted to close his remarks in a few minutes?

Mr. Pigeon: I am not through yet.

Mr. Boulanger: Then, would he permit me a question? How is it, since he dealt mostly with farm loans in the province of Quebec, that the agriculture in this province has ranked very high during the last decade and that, in the matter of buying and using farm machinery and equipment, lags behind the other provinces where production is lower?

Aid to Farmers and Fishermen

Mr. Pigeon: Mr. Speaker, I wish to answer immediately the hon. member. One cannot compare the province of Quebec with Ontario, any more than one could compare British Columbia with Nova Scotia.

An hon. Member: Why?

Mr. Pigeon: In Ontario, for instance, the farmers engage in specialized farming. There is the garden of Ontario, the Niagara valley. On the other hand, the province of Quebec leads in dairying. And I can prove with the help of figures that the province of Quebec ranks first in Canada in this field. So, one cannot make a comparison. You should not take the same stand as Mr. Lesage or Mr. Lapalme. Personally, I am here to fight the cause of the farmers, Mr. Speaker. I am amazed at the behaviour of members of the opposition who, for 25 years, have remained seated and mum, these same men who repudiated and destituted Mr. St. Laurent. I cannot understand their attitude.

(Text):

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

(Translation):

Mr. Pigeon: Mr. Speaker, the provincial farm loan takes into account the social element, that is to say the family which, in general, is large in Quebec. The board has never refused a loan when the security was reasonable, even when it was a case of a large family; the existence of a large family is but an additional factor urging the board to decide in favour of the loan.

I call your attention to the achievements of the Quebec farm credit board as compared to those of the Canadian Farm Loan Board.

Le Soleil of August 14, 1939 favoured the use of the Canadian farm loan board and urged the province of Quebec to come to an agreement with that body in order to lower the rate of interest required of Quebec farmers.

It will be recalled that the government of the time, pressed by public opinion which was asking for a long-term and low-interest farm mortgage loan, had come to an understanding with the Canadian Farm Loan Board under which the province of Quebec had agreed to pay part of the interest up to 3 per cent.

It should be recalled that the province of Quebec thus paid annually, on behalf of Quebec borrowers applying to the Canadian Farm Loan Board, the following sums, and I quote the figures of the last five years: 1948, $133,938.80; 1949, $124,370.26; 1950, $116,816.53; 1951, $114,663.96; 1952, $107,599.72.

I am giving figures for a few years only for demonstration purposes, but that contribution from the province extended from 1932 to 1950. It is in 1950 that the contribution of the province, on behalf of Quebec borrowers who applied to the Canadian farm loan board, ceased in regard to new loans. The province continued, of course, to pay the above-mentioned rate of interest on the loans approved prior to 1950.

Now, the net rate of interest paid by the Quebec borrowers applying to the Canadian Farm Loan Board was substantially lower, but apart from the contribution provided by the Quebec government, the borrower who secured a loan from the federal board, payable in twenty-four annual payments should have normally paid in interest $739.10 for every thousand dollars borrowed. In accordance with such a method and thanks to the contribution from the province of Quebec, the borrower paid but $443.54 in interest for the duration of his loan: the province was paying $295.62 on that loan, to cut down the interest.

The same loan of $1,000 borrowed from the farm credit board and on which the beneficiary would have paid but 2½ per cent interest, instead of 5 per cent, would have cost him in interest $241.72 and would have had as a consequence, based on the same annuity, a shortening of the duration of the loan to eighteen years.

All this seems a bit fastidious, but the starting point requiring the establishment of a long-term and low-interest farm credit has been lost sight of to such a degree that it is perhaps a good thing to go through the records of the time, old newspapers, and to read over certain statements, in order to realize to what extent the opinions were contradictory in regard to the advisability of establishing a long-term farm loan body which would come under the exclusive jurisdiction of the province of Quebec.

Mention was made earlier of some figures representing the contribution which the province of Quebec has granted to the beneficiaries of loans obtained from the Canadian Farm Loan Board, in order to show what that system was costing the government of the province and how relatively few loans were granted by that body.

This lowering of the rate of interest should have normally multiplied considerably the applications made to the federal body. From 1929 to March 31, 1957, the Canadian Farm Loan Board has granted in the province of Quebec 8,843 first-mortgage loans and 3,132 second-mortgage loans, totalling $20,583,454.70.

Since 1956, the term of loans has been extended from 25 years to 30 years and the maximum amount loaned is now $15,000 when a chattel mortgage is available. In the province of Quebec, this type of chattel mortgage is not permissible except under the law concerning pledges.

Mr. Speaker, in conclusion, may I draw your attention to the following point and ask the house a question. What is the future of agriculture in the country?

An hon. Member: What will it be?

Mr. Pigeon: The hon. member interrupts me often enough but he may rest assured that I can take it. I know you have run down Mr. St. Laurent, but you won't run me down.

Mr. Habel: Didn't you know that he is still hale and hearty?

Mr. Pigeon: You ran him down so well that when Mr. Pearson was in Quebec during the last election campaign, Mr. St. Laurent was resting in Florida and would not meet him.

Mr. Habel: You may ask yourself who is responsible for that but the present government.

Mr. Pigeon: Anyway we are not going to organize your Liberal conventions.

In conclusion, Mr. Speaker, may I point out that:

1. The progress in biological control will be accelerated.

2. Equipment will be more complicated and more expensive and the increasing shortage of farm labour will result in farm automation.

3. Better organized biological centres and a greater mechanization will make agriculture increasingly dependent on the contribution of industrial goods and services.

4. All those achievements will make agriculture more complicated and will increase its capital needs and managing operation.

Mr. Speaker, I will not talk about the fishery aspect of the resolution of the hon. member for Drummond-Arthabaska (Mr. Boulanger), since the federal constituency of Joliette-L'Assomption-Montcalm is an agricultural and urban riding. Indeed, there are tourist and resort centres in the northern part of my riding where my constituents go fishing, but I think they do not need any assistance in this regard.

Once again, Mr. Speaker, I make these suggestions most humbly and I know that the Conservative government will continue to go forward as it did in the past. The Conservative government will not be satisfied with marking time, as did the former government, it will not keep still, but it will work for the welfare of the farmers of this country. But what did our hon. friends opposite do, actually? When they used to sit on this side of the house, most of them just sat; they never made representations for their constituencies, whereas today, in the few months we have been in office, most of the government members, not only those from the province of Quebec, but from other provinces as well, have made representations here for their constituencies. When they were in office, they stayed seated, but today, our hon. friends opposite crowd the order paper with bills and resolutions. My dear friends, you may rest assured that the Conservative government is aware of its responsibilities and that it will continue to go forward and consider the farmer's problems, because it has done more in a few months already than our opponents did in 25 years.

I make these suggestions most humbly, Mr. Speaker, for the benefit of my constituency and of the whole country.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, the member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), who has just resumed his seat, stated at the beginning of his remarks that the Liberals never did anything for agriculture.

Oh, I hear desk-pounding. Well, I would ask those who are pounding their desks to stop being blinded by their duplessist feelings and to thumb through the Statutes of Canada. They will find legislation enacted by the former Liberal administration in the field of agriculture.

Mr. Speaker, may I be allowed to mention a few of these measures that were introduced or amended by the Liberal administration? Take, for example, the Canadian Farm Loan Act, the Farm Improvement Loans Act, the western feed grain transportation assistance act, quality premiums on high grade pork, subsidies and other allowances for the improvement of cheese and cheese

factories, the Prairie Farm Rehabilitation Act, water storage, the Maritime Marshland Rehabilitation Act, the Agricultural Prices Support Act, the Canada Grain Act, not to mention subsidies on cold storage warehouses, etc.

Mr. Speaker, if I sought to go on listing the measures that were enacted on the initiative of the former Liberal administration, you would surely call me to order, because I would be carried too far from the subject under consideration.

The member for Joliette-L'Assomption-Montcalm has laid a definite charge against the mover of this resolution, the member for Drummond-Arthabaska. (Mr. Boulanger). He has charged him with misleading the house. Well, Mr. Speaker, I hope that tomorrow, when today's proceedings are published, we can find all the remarks made this afternoon by the member for Drummond-Arthabaska. We will find that in reply to a question put to him by the hon. Minister of Mines and Technical Surveys (Mr. Comtois), he said:

> With regard to the hon. Minister's question, I must say that I clearly indicated that under these two acts, the government loaned over $800 million, that is 123 million under the Canadian Farm Loan Act, and about 700 million under the Farm Improvement Loans Act.

I see that the member for Joliette-L'Assomption-Montcalm is denying this. Well, Mr. Speaker, the hon. member for Drummond-Arthabaska also added the following, and tomorrow's *Hansard* will prove it:

> The banks granted loans in accordance with the legislation adopted by the government: The government guaranteed the banks up to a certain proportion.

And, I leave it to tomorrow's record to show that the hon. member was telling the truth. Furthermore, in view of that charge, when he is in possession of the evidence, I hope the hon. member for Joliette-L'Assomption-Montcalm will at least have the courage and honesty to take back what he said.

(Text):

Mr. Speaker, I wish to say that I am in complete agreement with the arguments put forward this afternoon by the hon. member for Drummond-Arthabaska (Mr. Boulanger) when he introduced this resolution. He has outlined to this house a new conception of credit facilities for the farmers and fishermen of this country.

Early in his remarks the hon. member for Queens-Lunenburg (Mr. Crouse) stated that the mover of this resolution must have looked over his shoulder because he had expressed the same ideas as he himself had expressed in the course of the debate on the address. I would say in reply to the hon. member for Queens-Lunenburg that the resolution introduced this afternoon by the hon. member for Drummond-Arthabaska was on the order paper at least a week before the hon. member for Queens-Lunenburg made his speech on the address in reply to the speech from the throne. I wish, however, to congratulate the hon. member for his support of the idea of the establishment of a development bank to assist the farmers and fishermen of this country. I hope he will have enough influence to be able to convince his colleagues and the members of the present government that we should adopt this resolution before the adjournment at ten o'clock this evening.

The proposal which we are now discussing is in accordance with the policy of the Liberal party to undertake in co-operation with the provinces a new and broadly based farm and fisheries development program.

An hon. Member: Why didn't you do it?

Mr. Robichaud: There again is the same question coming from the other side of the house: why didn't you do it. That has been the theme of practically every speech made from the other side since this session opened. Hon. members opposite have failed to realize that they have been elected, that they are in power and that they have the responsibility for looking after the affairs of this country. Instead, they keep putting to us the question: why didn't you do it. This is another example of the confusion, the indecision and the irresponsibility of which the Leader of the Opposition (Mr. Pearson) has spoken.

An hon. Member: You are not the government now.

Mr. Robichaud: You will have your turn to speak, my friend. Just keep quiet for now.

We recognize the need to strengthen and develop the family farm. Even with existing loan agencies such as chartered banks, credit unions, the farm loans board and the machinery set up under the Farm Improvement Loans Act, not to speak of other provincial lending institutions, our farmers, particularly those on smaller farms, have been finding difficulty in securing the necessary capital to operate their farms at a profit.

The purpose of this resolution has been explained by the mover, the hon. member for Drummond-Arthabaska, as being to establish an agriculture and fisheries development bank to consolidate and expand existing credit facilities for persons engaged in these primary industries and to provide sufficient capital to enable farmers and fishermen to make capital improvements required for the

efficient and profitable operations of their undertakings. The type of loans or credit suggested in this proposal, which would apply equally to both fishermen and farmers is, first, long term loans applicable to farmers for financing the purchase of land and permanent improvements and, to fishermen, for financing new fishing boats of approved type; and, second, intermediate term loans or shorter term loans to farmers for financing livestock or machinery and, to fishermen, for financing fishing gear, new motors or urgent repairs or replacements. The establishment of such a bank which could operate at provincial level, would also insure, through special arrangements with chartered banks, credit unions and other agencies in the short term credit field, that the need of farmers and fishermen for this kind of credit was more adequately met.

As I have said, the existing lending agencies do not meet the needs of the fishermen or the farmers. If our farmers and fishermen are to be successful in their respective areas of operation they must be provided with credit facilities sufficient to make possible the acquisition and operation of economic units. Only when family farms reach a substantial size can they earn a satisfactory standard of living. More efficient production is required if the cost of production is to be lowered in order to compete with larger units or larger farms presently operated on a business basis.

The same principle would also apply to fishermen. It is true that the Atlantic provinces and Quebec, as has been mentioned this afternoon by the hon. member for Queens-Lunenburg (Mr. Crouse), have their respective fishermen's loan boards which are doing a good job in providing loans and credit for fishermen for the purchasing of new boats or fishing gear. However, the funds made available by these provincial organizations are too limited. I can speak from personal experience because I was secretary of the fishermen's loan board of New Bruswick during the first six years of its operation. I well recall how our activities were restricted because of the limited funds available.

In my own province of New Brunswick, for example, the fishermen's loan board since its inauguration in 1946 has loaned to fishermen an amount in excess of $3 million. Out of these loans over 50 per cent have been repaid to date and the losses on bad loans have been less than one-half of one per cent.

The new agriculture and fisheries bank, as suggested, could be responsible directly to the federal government and would involve the creation of federal-provincial agencies in co-operation with the farm and fisheries development bank. Such a bank could operate in conjunction with provincial lending agencies such as the fishermen's loan boards for the use of fishermen and could provide these agencies with necessary funds to operate on a larger and more practical scale.

When we examine the annual reports of the Farm Improvement Loans Act for the farmers and the Fisheries Improvement Loans Act for the fishermen we cannot help but realize at once the inadequacy of the system. To illustrate the situation in the Atlantic provinces I shall refer to the annual report of the Farm Improvement Loans Act for the year ended March 31, 1957 which indicates that in the four Atlantic provinces including Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland, 2,087 loans have been made for new and used implements for a total of $3,604,000. In the same year 152 loans were made for repairs and alterations to farm homes and buildings for a total of $240,078. In other words, during the year 1957, a total of $3,840,000 was loaned in the Atlantic provinces under the provisions of the Farm Improvement Loans act.

I also have in my hand the report tabled by the Minister of Finance (Mr. Fleming) as sessional paper No. 51 on the operation of the Fisheries Improvement Loans Act for the fiscal year ended March 31, 1958. This report will show that since its inception in 1956, up to March 31, 1958, only 441 loans have been granted for a total of $485,156.22. Out of these loans only 273 were granted in the Atlantic provinces for a total of $224,262. It is evident that the application of the existing acts do not meet the need of the farmers and fishermen.

The application of the farm loan act on a national scale is also not too practical. The needs of the eastern farmer are not the same as those of the wheat grower of western Canada or the prairie provinces. The basis on which the land is assessed to fix or determine the amount of the loan should apply differently in each case. Under the present application of the act the eastern farmer has difficulty in obtaining loans and the few who qualify have their applications cut down by 25 or 30 and even by as much as 50 per cent. This discrimination alone is of a sufficiently serious nature as to justify the establishment of a bank such as that suggested in the resolution presently under discussion.

Furthermore, our fisherman and farmer require a lower rate of interest if they are to maintain and strengthen their industries. How can a farmer or a fisherman meet existing competition when they have to finance the purchase of a new tractor for the farm

or a new motor for the fishing boat through existing commercial loaning agencies or finance corporations at an interest rate of 12, 18 or even 20 per cent? I feel confident that every provincial government would welcome the establishment of an agriculture and fisheries development bank such as is proposed in the present resolution. Its implementation would be to the advantage of our primary producers and I urge the government to give this matter its most serious and urgent consideration.

A development bank of the kind envisaged here could also help farmers' and fishermen's groups. Such groups organized either as co-operatives or other marketing agencies have found it difficult to accumulate capital of any kind for expansion and for this reason have had to curtail their activities. In many cases results have not been as satisfactory as expected and the economic position of our primary producers is one of lagging behind developments in the industrial field. The progress of our co-operatives and marketing groups has been curtailed by lack of capital and the establishment of an agriculture and fisheries development bank would overcome these difficulties. This bank could operate for the primary producers in a manner quite similar to the system established by the industrial development bank with regard to other businesses.

We need more than an extension of loans to individual farmers and fishermen. Today we also need, as suggested by this resolution, an agriculture and fisheries development bank which as a national agency could operate in conjunction with provincial agencies and be of material assistance to our primary producers. I sincerely hope that before the adjournment of the house at 10 o'clock this evening the government and its supporters will allow this motion to pass so that definite action may be taken in this regard.

Mr. J. A. Macdonald (Kings): Mr. Speaker, in rising to speak to this, the first resolution of this session, concerned with the establishment and extension of better credit facilities for the primary industries of farming and fishing, I do so with very great pleasure. Speaking on the estimates of the Department of Agriculture during the last session I commented strongly on the fact that the regulations of the Canadian Farm Loan Act were badly outmoded and in need of early revision to meet the requirements of present day agriculture. When speaking on the estimates of the Department of Fisheries I referred to the urgent necessity of increased credit to enable our fishermen and packers to obtain more capital to finance their operations in order to ensure that they will be more efficient and profitable for all concerned. As a business man whose chief occupation since the last war has been that of dealing with the problems of these two classes of primary producers in the maritimes I feel I can deal with them in a sympathetic and I hope in an informative way.

Let us look briefly at the position of the farmers today, Mr. Speaker. In that regard I wish to deal generally with those of the maritime provinces and with my own province in particular. According to the Dominion Bureau of Statistics figures released just last week, farm cash income rose in all provinces. The total for Canada was up 10 per cent over 1957 and 5 per cent over that of 1956 and 20 per cent over that of 1954 and 1955. The agricultural division of the bureau calculates that in 1958 Prince Edward Island received $28,730,000, up $4,221,000 over 1957, or approximately 14 per cent. Nova Scotia farmers received $43,622,000, or an increase of $2,667,000, while New Brunswick farmers received an increase of $3,334,000, making a total return of $48,147,000. On the surface it might appear that this is a very rosy picture and might suggest to some that increased farm credit arrangements would scarcely be needed. However, there are a number of factors to be taken into consideration in a proper assessment of the actual position of the farmer today in the maritime provinces.

Although it was only a little over one per cent in 1958, there has been a continuous rise in the cost of goods and services the farmer needs to maintain his livelihood, and these costs have increased rapidly since the end of world war II. This has been accentuated somewhat by the last freight rates increase. This time it was 17 per cent added to the nine previous increases under the former government, making a total of 157 per cent since 1947. This increase, along with the others, may have been more or less unavoidable but our big objection in the east and west has been to the manner in which those increases have been imposed. The straight horizontal increases have placed a more disproportionate burden on those outside of central Canada and particularly on the agricultural communities in those areas. The present government, in line with its consistent policy to deal fairly with all of Canada and provide assistance in regions where most needed, will finally make a move to counteract this great injustice in the imposition of former freight rate increases. Assistance to alleviate the inequities which have taken place over the past two decades will be most welcome.

A great deal is being heard these days about vertical integration wherever a discussion on agriculture takes place. This system is spreading rapidly in most areas and has been taking place to a lesser degree in the maritime agriculture economy. I feel it is something which is to be greatly abhorred, and that most of our farming people are entering into those arrangements only of necessity, where agricultural credit is unavailable.

The size of our farms and the type of our economy lend themselves particularly to the family farm. It is generally agreed that for some time to come the family farm will be the backbone of agriculture in our eastern economy. Nevertheless, it is necessary that a program of horizontal integration take place whereby our farms may be enlarged and thus benefit by a reduction in unit costs.

Small farms are being abandoned rapidly in my province and good land has been allowed to become waste because those tilling the land find it uneconomic to do so. This land could be reclaimed but the longer it is left the greater will be the cost of bringing such land back into production. In order to achieve this expansion, farmers must have increased facilities to buy additional land and more and heavier equipment to till the land. Under present credit arrangements, only those who are well set up in farming are able to obtain additional assistance; whereas the small farmer is unable to obtain money for the additional outlay required.

Another great need at the present time is for some long term credit to enable young farmers to start out on their own. In the days of our pioneering forefathers many began farming by clearing the land and setting up farms, practically starting from scratch. Today this is impossible owing to the necessary outlays on machinery which the young farmer must have to begin with. Many provinces have land settlement schemes of their own but others, such as Prince Edward Island, have nothing in that field. It would possibly be more desirable if some such schemes were set up on a provincial basis, but where no provincial assistance is provided then I feel the federal government should help in some way, either by combining with a provincial program of assistance or in taking the initiative from the federal level.

(Translation):

In this connection, Mr. Speaker, I think everyone could benefit from a study of the legislation enacted in the province of Quebec, to which the member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) has referred, and which has had very happy results. During several years, that province had in its statutes an act that allowed young farmers to borrow money and refund it on a long term basis and at a very low rate of interest.

I have obtained the following information from the Quebec farm loan board. The loans are for a period of 39½ years and refundable by semi-annual payments at a rate of 4 per cent, including interest and reimbursement, that is 2½ per cent interest and 1½ per cent refund.

The payments are therefore $40 a year for every thousand dollars borrowed, or $20 per six month term. The amount of the loan must not exceed 75 per cent of the true value of the land and buildings. The maximum loan granted by the board to farmers does not exceed $8,000.

The losses under this plan have been negligible, yet millions of dollars were made available to a great many farmers who wished to settle on a farm. These loans have greatly contributed to the extension of agriculture in the province of Quebec, and in this regard, it can be seen that that province is leading all others. This shows what can be done when there is real interest in farm loans, and when proper steps are taken.

The government and population of Quebec deserve congratulations for this accomplishment, and I hope other provinces where no similar plan exists, and particularly the province of Prince Edward Island where I was born, will realize this and will enact legislation of this kind.

(Text):

Like every industry, agriculture must undergo a process of continual change and in that regard ours is labouring under a most inadequate and antiquated credit program.

Mr. Peters: I rise on a point of order. It would appear that the hon. member is reading his speech, contrary to your wishes of today.

Mr. Speaker: The hon. member has heard the point of order which has been made. Before I comment on it, has he anything to say?

Mr. Hamilton (York West): Mr. Speaker, I think in your ruling today you suggested—

Mr. Speaker: I will hear the hon. member in a minute. The hon. member for Kings has the floor. I will hear the hon. member for York West.

Mr. Hamilton (York West): On the point of order, Mr. Speaker, as I recall the words that you used today you mentioned that there might be exceptions made in connection with the first speech of a member in the

house. This is not this member's first speech but I think you will understand that he has been speaking in l'autre langue officiel of the House of Commons and for that reason I think some leeway might be given.

Mr. Speaker: I must say I had the impression that the hon. member was reading not only the French part of his speech but the English part of his speech and I should like his assurance that he is not doing so.

Mr. Macdonald (Kings): I can explain my remarks in French to the hon. member if he wishes. I was referring to the fact that in the province in Quebec there is an excellent farm credit program which any other province could very well copy and that in fact it would be of great assistance to a province such as mine which has no program of any kind in that regard.

Mr. Speaker: I am sorry to interrupt but I think the hon. member misunderstood me. The point of order made by the hon. member for York West was that some latitude might be given the hon. member in reading the part of his address which he wished to give in French, and I think the house would probably concur in that. But I should like the assurance of the hon. member who has the floor before he continues that he is not reading the English part of his speech.

Mr. Macdonald (Kings): Mr. Speaker, I have my notes here and have been following them closely. I shall try not to follow them as closely. It is necessary for the benefit of our economy, Mr. Speaker, that we have a much improved credit system which will provide better intermediate, long and short term credit facilities for our farmers.

The resolution also deals with credit regulations as far as fishermen are concerned. In my constituency of Kings we have a very large fishing population spread along the coast line and to our many fishermen credit is something which is very important. The same principle can be applied in fishing as in farming, that if we are going to have more profitable operations for our fishermen as well as for our farmers then it is necessary for the fishermen to have better credit facilities. This applies not only to the fisherman but also the packer. The packer's capital is often tied up and he is unable to give a better price to the fishermen because he has to sell the pack as soon as he gets the fish. The fisherman is often in much the same position in that he is obliged to sell his catch to one buyer as soon as he lands the fish. If credit facilities were available both to the fisherman and the packer, then the fisherman would be in a much better position to bargain after he had landed his fish and the packer would be able to secure a better price for the fish he had in storage or in cans.

From figures recently released by the Department of Fisheries we note that from January to November last year the amount of fish landed in the maritime provinces was 38,576,000 pounds for a value of $3,717,000. The figures for the same eleven months in 1957 show landings amounting to 38,406,000 pounds for a value of $3,482,000. This is an increase of 170,000 pounds in the catch and of $235,000 in the landed value. This indicates a considerably better picture in the fishing industry of the maritimes, but I should like to point out again that if we had better credit facilities the picture so far as the maritimes fishermen are concerned would be considerably better than it was during the past season.

While speaking about fisheries credit and the condition of the fishing industry, I should like to express strong disapproval of and disagreement with the remarks made by the hon. member for Gloucester (Mr. Robichaud) with regard to poaching, as found on page 99 of *Hansard* for January 20. If our fisheries are to be properly conserved we must have regard for the law. Any fisherman who takes a boat out knows when he is breaking the regulations and he also is aware that he is doing a great deal of harm to the fishing industry. As in any industry, we will always have people who will wish to transgress the law and make a "fast buck", shall we say, and they are usually the ones who do the greatest harm to the industry. Poachers in the fishing industry are no exception. Probably 99 per cent of the fishermen work hard to earn their livelihood and resent greatly the conduct of the poachers. I was very sorry to hear the remarks of the hon. member for Gloucester especially since he was a fisheries inspector in the past and is a former director, I believe, of the department of fisheries of New Brunswick.

Finally, Mr. Speaker, I note with great satisfaction that it is stated in the speech from the throne that there will be a comprehensive review and revision of legislation concerning farm credit to make it more effective, and better credit facilities for those engaged in the fishing industry are being planned.

(Translation):

Mr. Rodolphe Leduc (Gatineau): Mr. Speaker, I rise on a point of order. This afternoon you informed the house that, in the future, hon. members would not be allowed to read their speeches, and that they should speak without a prepared text. May I enquire if you intend to enforce these

instructions, or if you will allow some members to read their speeches, as the hon. member is doing at the moment.

(Text):

Mr. Macdonald (Kings): I should like to point out, Mr. Speaker, that I was reading a section from the speech from the throne.

Mr. Speaker: The hon. member has heard the point that has again been taken. Apparently he is giving the impression to hon. members of the house that he is not observing the rule. He has given me his assurance that he is only following his notes. I hope that he will bear in mind, in his concluding remarks, that some serious effort is being made in this house to avoid verbatim reading.

Mr. Macdonald (Kings): May I quote from the speech from the throne, Mr. Speaker?

Mr. Speaker: The hon. member is not precluded from giving quotations, if they are of reasonable length.

Mr. Macdonald (Kings): I wish to quote the section from the speech from the throne dealing with farm credit arrangements.

> You will also be invited to make a comprehensive review and revision of the legislation concerning farm credit, in order that credit may be more effective in assisting in the development and maintenance of an efficient and prosperous agriculture.

We observe also on the order paper a resolution standing in the name of the Minister of Fisheries (Mr. MacLean) concerning the expansion of credit facilities for fishermen. Special attention, I think might be paid to the excellent record of the Veterans Land Act, as carried out by the Department of Veterans Affairs. This program would be an excellent model for the further extension of credit facilities to both farmers and fishermen. Such a program, I believe, could be a model for a program of settling young farmers, which is something that Canada needs today. I am very pleased to see that this government is finally taking action which was previously refused for so long by the last Liberal government.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I am going to read part of the resolution, Mr. Speaker, but I can assure you that I have no intention whatever of reading my speech. I have not even a manuscript. The operative part of the resolution reads as follows:

> That, in the opinion of this house, the government should give early consideration to the advisability of the establishment of an agriculture and fisheries development bank to consolidate and expand existing credit facilities for persons engaged in these primary industries and to provide sufficient capital to enable farmers and fishermen to make capital improvements required for the efficient and profitable operations of their undertakings.

Although I think there has been, in fact, no criticism from the other side of the house about this point, I do want to say a word about one sentence in the speech from the throne which I had rather expected someone would raise as an argument for suggesting that this motion was redundant and unnecessary. This sentence reads:

> You will also be invited to make a comprehensive review and revision of the legislation concerning farm credit, in order that credit may be more effective in assisting in the development and maintenance of an efficient and prosperous agriculture.

It might be, that if the speech from the throne had not confined itself to agriculture, but had included fisheries, it could have been argued that the hon. member for Drummond-Arthabaska (Mr. Boulanger) might have waited to see what the government proposed before bringing this subject forward. It will be seen that the language in the speech from the throne is very vague. We have, as the hon. member himself said, nothing on the order paper to indicate what are the government's intentions. It does seem to me that this preliminary review of the situation has served a very useful purpose, if for no other reason than that it has revealed there is a very strong feeling on both sides—indeed if anyone was inclined to a contrary view no one has expressed it here—that this kind of legislation is needed.

Although I was brought up on a farm, I do not represent what could be honestly described as an agricultural riding. I do not believe any hon. member will expect me to talk about the needs of the farmers. I do, however, represent the oldest, most historic fishing riding in North America. I belonged to a government, which I am proud to say, always attempted to keep the farmers and fishermen on a basis of equality in all its legislation. I think everyone who represented a fishing riding was disappointed to read the narrow and restricted language of the speech from the throne, which once more confirms the impression we have been getting for the last 18 months that the government as a whole—I do not say this of the Minister of Fisheries (Mr. MacLean), who has taken a real interest in fisheries—is not interested in the fishermen at all.

I know it will be argued that there is an item on the order paper to continue the fisheries improvement loans legislation, but it is merely to continue it. Although this legislation has had a limited usefulness, I think all of us who represent fishing ridings, certainly on the east coast, feel that it has not come up to our hopes or expectations and that something more than that is needed. I am not suggesting for a minute that the fisheries improvement loans legislation should not continue. I do believe it is very desirable for these short term loans to use the

agencies of the banks and credit unions as far as they can be used, instead of substituting an additional bureaucracy. However, it does seem to me there is something quite lacking in our credit legislation for fishermen that does exist for farmers. We have nothing comparable at the present time in our legislation with the farm loan board.

I imagine part of the reason for that is that most, if not all the provinces where deep-sea fishing exists do have provincial loan boards which, to a very limited degree, perform functions similar to those performed in the federal field by the farm loan board. But everyone knows that for four of these provinces at any rate, their financial resources are very limited. We also know that under the British North America Act fisheries is the exclusive responsibility of the federal parliament. It does seem to me that the time has come when we should fill this gap in our legislation. I do not say we should not try to co-ordinate these things, that we should not make use of the existing facilities of the provincial boards, as that could be worked out in co-operation with the provincial governments. There is a great deal to be said for using existing institutions wherever they can be adapted to meet problems because you can go right on with what you have instead of having to start from scratch.

There is no question whatever that the technique of the fishery, as the hon. member for Gloucester (Mr. Robichaud), the hon. member for Queens-Lunenburg (Mr. Crouse), and other hon. members who have spoken as representatives of fishing ridings pointed out, is changing very rapidly. I was very much interested in what was said for the hon. member for Kent (Ont.) (Mr. Danforth) this afternoon concerning the great changes in the fisheries on the lake, near the shores of which I was born.

I think there is no question whatever that in fishing, just as in farming, the need for capital is far beyond the capacity of most fishermen, as it is beyond the capacity of most farmers, to amass just by ordinary savings. It does seem to me that it is a real service to parliament and should be a real service to the government to have had this debate today.

There was one point touched upon by the hon. member for Kings (Mr. Macdonald) which I caught when he was speaking, namely his reference to the need not merely for loans directly to the fishermen but for loans of an industrial character. I know that to a limited degree the fishing plants can qualify for loans from the industrial development bank, and to the extent that they cannot get credit in the normal way, perhaps that is a useful agency. But it does seem to me that perhaps something more is also needed in this area.

We all read, I think with great feelings of sorrow, that on top of the terrible situation that has developed in Sydney over the coal mines, the historic fish plant in North Sydney was burned the other day. It may be that insurance will enable the owners of that plant to replace it immediately, but it does seem to me that this is just one of many examples one could give all along the Atlantic coast of the need to be sure that there is a credit structure to meet the need.

I do not suggest for a minute that all the credit should be provided by the government. I think that as far as possible it is always preferable to have credit provided in the ordinary operation of the economic system. I am quite unrepentant in that view. But I think that the rapidity and the almost revolutionary character of the transformation of the fisheries, and the importance of providing for this historic industry the opportunity to share in what we now regard as the Canadian standard of living does call for some special effort on the part of the government. Before the government brings forward its legislation for farm credit I hope that it will take a long, hard look at the views expressed by my friend, the hon. member for Drummond-Arthabaska (Mr. Boulanger), will include the fisheries in the same credit institution, and give to the fishermen exactly equal treatment as compared with the farmers.

Mr. F. F. Legere (Shelburne-Yarmouth-Clare): Mr. Speaker, it is inconceivable that the use of a thing which is necessary, good and beyond the reach of those whose misfortune and lack of means make it unavailable to them should be denied by those endowed with the required capital to provide it for them. However, before we proceed to the award of this necessity it perhaps would be in keeping with sound judgment to establish whether or not its value can be measured by the yardstick of common sense, which in this case is governed by the class of individuals concerned, the number of individuals to receive such assistance, and the true need and importance that warrants its award.

Naturally, Mr. Speaker, this result cannot be accomplished without a body sufficiently endowed with the necessary funds to make it praticable once the existence of the necessary requirements is proven. In other words, Mr. Speaker, it all boils down to the question of whether or not the fishermen of Canada should be extended a helping hand in order that they may provide us Canadians with

the commodities necessary to our existence. I say they should be extended a helping hand and if you will bear with me for a few moments I shall attempt to present the reasons for my feeling.

Two thousand years ago fish were required to keep people alive, and down to this day that same requirement remains. Without having the power to foresee the future I know that this will be so until the end of time. We cannot do without the fishermen. Their reason for being is universal, and they should at all times be awarded the greatest consideration possible. Adventurers by nature, pioneers by instinct, they are hardy, rugged and honest beyond doubt, and they are deserving of our admiration. They are endowed with the patience of Job. At once carpenters, mechanics, navigators and proud possessors of an inventive genius, these toilers of the deep are a group that we Canadians should be proud to have on our side in this fight for survival.

However, to carry on efficiently and safely in their noble calling they, like all of us, need a helping hand. The nature of their work demands that they and their equipment be of the highest standard. The sea, so majestic in its vastness, so beautiful in its moments of repose yet so terrifying and dangerous in its storm-swept moments, demands of those who haunt its teeming fish expanses nothing but the best. One has but to go back in memory to recall times of anxiety for proof that the best is none too good. Sailing out of one's home port on a beautiful morning, breathing the purity of the ocean's air, and all the while happily anticipating a substantial return from the day's catch, entails visions of a good money return and an evening of happiness in the sweet knowledge that the loved ones will be well provided for. However, the dark clouds gathering on the horizon and the mournful tones of the increasing winds are simply mother nature's way of telling of her indignation over those who wrest the riches from her bosom.

In spite of the warnings the fisherman, bent intently over the work at hand, carries on, and does so in a fearless way. He trusts to the seaworthiness of his craft and depends entirely on the smooth and efficient operation of his motor. Oftentimes, unmindful of what could happen, he ventures to the windward side of a dangerous ledge and continues to fish in spite of the white turmoil of the foaming sea that beats and dashes itself on the rocky obstacles. He has his reasons for so flirting with danger, for there in the dark recesses and caves of this ledge lurk the objects of his pursuit. It is easy to understand that the fisherman in so doing is taking his life in his own hands, yet he remains there, only shying away when the seaworthiness of his craft appears to be taxed beyond its limit. Never once does he think of his motor stopping due to mechanical failure, for sudden stoppage would mean the end.

In keeping with the known fact that nothing is accomplished without effort, mother nature sees to it that her denizens are provided with the necessary elements for their protection. The elusiveness of fish is well known to mankind. The fisherman must roam far and wide in search of food. The tides, the whirlpools, the temperature of the water, the direction of the winds and the season of the year are all deciding factors that chart the course travelled by fish and contribute extensively to his elusiveness. Here today and gone tomorrow is part and parcel of the daily life of every fish.

Mr. Leduc: Mr. Speaker, on a point of order: is this the hon. member's first speech?

An hon. Member: It is.

Mr. Legere: No, Mr. Speaker. I might say, on that point of order, that it is not my first speech and if you wish I will cancel these notes and speak off the cuff.

Some hon. Members: Hear, hear.

Mr. Legere: As I was saying, the tides, the temperature of the water and the direction of the wind are sometimes the cause of fish wandering around for their food, and in order to capture these fish the fishermen must also roam. The fish being on the bottom lots of times—mostly all the time, I should say—the fishermen must necessarily go back to inventions which have come into being since the last war. I should like to point out in this regard that the fisherman now has at his disposal the fathometer and the fishscope. By means of these instruments he can estimate at what depth the fish are lying and set his trawl or lower his fishing line with a hook on it accordingly and catch those fish for his means of livelihood.

The coast of Nova Scotia is a rocky coast which is visited every summer by perennial fog which makes it very hazardous and dangerous for those who have to approach the coast line especially during the night fishing period. The long-liner gropingly tries to get into port; the hand-liner creeps into port; the herring fisherman staggeringly creeps alongside his jetty thankful that some men of yore invented the compass. However, men of science, during the last war and thereafter, made tremendous strides in electronics and came out with a navigation instrument known as LORAN. I call this

the fisherman's homing pigeon, for a fisherman can be guided by this instrument no matter how dark the night might be or how thick the fog, and reach his home port in safety.

I have pointed this out, Mr. Speaker, to call attention to the fact that these devices exist. However, I might also point out that without the necessary cash to buy them they cannot be of help to our fishermen, and that the great majority of our small commercial fishermen do not possess this necessary cash. It is easy for one to saunter down to a home port and watch as foreign craft touch the wharf. Immediately the fishermen jump aboard and explore every facility aboard. They longingly look at all the things which have been installed, whether they include the LORAN, a fishscope, a fathometer or a diesel engine. But that is as far as they get. In nine cases out of ten their longings cannot be satisfied because they have not sufficient money to enable them to buy these things. If they could afford to buy them they would certainly increase their fish output and add substantially to their means of livelihood.

Oftimes they will turn to their dealers for money with which to buy these commodities, or these essentials to greater yields in their fishing activities. The dealer receives the men with sympathy and assures them that they have the right idea, but reluctantly has to discourage them and tell them no, explaining that he cannot buy for them either a LORAN or a fathometer or what have you because he has already stretched his sympathy to the breaking point and if he went any further he would go bankrupt.

For this reason the fisherman dreads a storm which might destroy his equipment and prevent him from fishing. He is faced with only one alternative. He cannot provide the money himself for new equipment; his dealer is unable to assist him, and therefore he must turn to the government. I am positive that this government is—as it should be—vitally interested in seeing that fishermen are provided with every possible means of improving their economy and, hence, of bettering the economy of this country. I must say that I greatly favour this proposal to establish banking credit facilities so that those who go down to the sea for livelihood and who, oftentimes, come back with very meagre catches may be given the assistance necessary to better fish production, assistance which will in turn mean a more satisfactory economy for the whole of the country, thus placing Canada among the greatest nations of the world.

Mr. Frank Howard (Skeena): Mr. Speaker, I left my bifocals at home and therefore my remarks will be very brief. I do not think they need to be too long in any event because of the ample amount of discussion we have had here today in support of one or both aspects of the intent behind the resolution now under discussion, namely extended credit facilities for farmers and fishermen. Coming as I do from the most important maritime province of Canada, we have a two-fold interest in it there. The farming interest has been expressed by my colleague the hon. member for Kootenay West (Mr. Herridge) and we in the riding of Skeena have an interest predominantly in fishing but also in farming in the interior part of the province.

If I were to express the great benefit that a bank or agency of the nature outlined in the resolution would have I would only be repeating what has been said earlier in this discussion by other hon. members. It is not very often that we find such complete unanimity from all sides of the house, from all parties represented here and from all parts of the nation in support of a particular idea. We may disagree on details concerning the implementation of the plan but nonetheless to my recollection—and I have listened to practically everyone who has participated in this debate—each is agreed in principle that the government should proceed with the establishment of such facilities to assist farmers and fishermen.

I do not know why we do not discontinue talking and start voting, unless of course some of the individuals who may follow me feel it is necessary to completely beat this to death until 10 o'clock hoping not to put the government in the embarrassing position of voting in support of a resolution knowing full well that the government has no intention of doing anything about implementing it.

Mr. McGee: Are you advocating closure?

Mr. Howard: Am I advocating socialism?

Mr. McGee: No, I asked if you were advocating closure.

Mr. Howard: Look who talks about closure! No, I am not advocating closure as we have come to know it through the introduction provided a few years ago by my hon. friends to my immediate left.

Mr. Speaker: Order. May I remind the hon. member that he is straying somewhat from the subject matter.

Mr. Howard: Getting back to the subject, Mr. Speaker, we are advocating that a formal expression should be given by this house to the resolution before it. We cannot do that if we are going to continue debating it until 10 o'clock. I feel that anything that may be

said will merely be a repetition of what was said by other hon. members earlier and I feel it is stretching the imagination of the house just a little too far to expect that anything new can be said on the question. Nothing would please hon. members in this house and the people affected by this resolution more than to have the resolution passed by a unanimous decision of the house. A formal vote would strengthen the hand of the government when it got around to doing something about this. It would show the house as being unanimously in support of the measure. No one disagrees and we are all in favour of giving this type of assistance to the primary producers. A formal vote would indicate to the people of the country that we are not afraid to stand up and vote for it and this should be done instead of continuing to speak as has been going on for such a long time today.

One could move a formal motion that the question be now put but I would not want to embarrass too many people by doing something like that and so I shall just appeal to the decency of hon. members, to their understanding of parliamentary progress and to their inner thoughts in asking that some formal unanimous expression of this house be given to this resolution by having Mr. Speaker put the question and by you Mr. Speaker, refusing to recognize any hon. member who rises so we will have an opportunity to vote on it and the Minister of Finance (Mr. Fleming) who will have to put the measure into effect will know he has the complete support of all hon. members in this house regardless of party affiliation.

Some hon. Members: Question.

Mr. Eric Stefanson (Selkirk): As I rise to take part in this debate, Mr. Speaker, I should first of all like to congratulate the other hon. members who have preceded me in the discussion of this resolution. As I represent a constituency which is composed largely of primary producers, consisting of farmers and fishermen, and as the economy of my constituency as a whole is dependent upon the income of these people, I feel it my duty to say something on this resolution.

We have had on the statute books the Canadian Farm Loan Act which has been available to farmers who wish to borrow money through the farm loan board. I have had many complaints from my constituents about the inadequacy of this board and about the limitations imposed on borrowing under the terms of the act. This government did make more money available through this legislation last year and I believe borrowing was at an all time high in that period. However, farmers generally are not satisfied with the act and feel that they cannot borrow as much money as they require for necessary improvements.

The following words were contained in the speech from the throne:

> You will also be invited to make a comprehensive review and revision of the legislation concerning farm credit, in order that credit may be more effective in assisting in the development and maintenance of an efficient and prosperous agriculture.

I believe this speaks for itself and indicates that the present government is going to have a good look at the financial needs of the farmer and introduce the necessary legislation to take care of those needs as far as agriculture is concerned.

In addition to the Canadian Farm Loan Act we have the Farm Improvement Loans Act which makes money available to farmers on short term loans for various purposes including the purchase of livestock and other things but this, too, is not adequate to meet present needs. We also have the Fisheries Improvement Loans Act. No doubt this has been beneficial to fishermen in certain areas but fishermen in the province of Manitoba have been unable to make much use of it and therefore it has not benefited the industry in that province.

I agree with the principle embodied in the resolution before us in these words:

> —and to provide sufficient capital to enable farmers and fishermen to make capital improvements required for the efficient and profitable operations of their undertakings.

One reason why the operation of the Canadian farm loan board has become unsatisfactory and unrealistic is because the value of goods, land, machinery, livestock, etc., has greatly increased since the introduction of the Canadian Farm Loan Act. It takes more money to start farming today than it did 10 or 15 years ago. As the funds proposed are self-liquidating, I approve of this plan. Any government has to be careful when considering assistance for any group or particular segment of the economy. No doubt this type of assistance is not considered as a subsidy. This government—or any government for that matter—should be careful in granting subsidies as that type of system continually leads to more and more socialism. The primary producers of this country, in this case our farmers and fishermen, have been independent throughout the years and proud of their profession and have not been continually looking for government handouts.

In my constituency, which is known as the interlake area of Manitoba, large quantities of grain, livestock, hogs, sheep, poultry, turkeys and other things are produced. Most farmers carry on mixed farming and there is a very large production of livestock. There

are huge areas which are not suited for grain but are good pasture land producing wild hay. Many of these farmers have herds valued from $10,000 to $50,000 but the value of their land is considered low so the amount they can borrow is limited and generally inadequate to meet their needs. With the livestock industry in a healthy state and being an extremely good risk, I feel this should be taken into consideration and have a bearing on the amount available for borrowing.

Most of the farmers in my constituency can be classified as family farmers. In many cases their farms are worked by the whole family. Sons and daughters have often worked for their fathers and mothers without any set salaries and their work has gone into expanding the farms. In many instances, when the parents are ready to retire, the sons and daughters who perhaps want to carry on the family farm have not sufficient cash to pay for it and neither have the parents the necessary cash to buy a house in a small town for their retirement. If money were available for these types of cases it would solve two problems: it would keep more young people on the farms and the parents would retire at an earlier age, buy a house in a small town and be able to enjoy their retirement.

I now want to deal briefly with the fishermen. Within the boundaries of my constituency we have the two largest lakes in Manitoba, namely lake Winnipeg and lake Manitoba. I think many members fail to realize the importance of the fishing industry in the province of Manitoba. We hear a great deal about the fishing on the Atlantic coast, particularly the cod fishing industry. We also hear a great deal about the fishing on the west coast, particularly the salmon fishing industry. In Ontario and Manitoba we have the bulk of the fresh-water fishing in Canada. One reason one does not hear so much about this is that the respective provincial governments are in control of fishing in those provinces. I am sure it is not known to many that Manitoba has sometimes produced more fish than the province of Ontario. Manitoba also produces the best fresh-water fish in the Dominion of Canada. Among the species caught are whitefish, pickerel, sauger, goldeye and many other species. Most of the fish is exported to the United States and there is no such thing as a surplus. Lake Manitoba has only one season, during the winter, while lake Winnipeg has three seasons. It has a summer fishing season, a fall fishing season and a winter fishing season. Most of the fishermen on lake Manitoba are engaged in farming as well as in fishing, while on lake Winnipeg we have what we call the full-time fisherman.

[Mr. Stefanson.]

I fully agree that those primary producers need credit. Fishing fails completely on the lakes in Manitoba at certain times, the same as we have heard about the failure of the codfish on the Atlantic coast this year. What the reason is for this we do not know, but it does happen and after complete failures the primary producers are in need of assistance.

The problems facing the fishing industry in Manitoba are many and some concrete action will have to be taken to solve them. However, the government alone cannot solve all the problems facing this industry. They can, however, take certain steps to help the situation. More research is essential and licence fees are much too high. A fisherman on lake Winnipeg, fishing three seasons, pays a licence fee of $85. He pays $50 for the summer season, $15 for the fall season and $20 for the winter season. Besides this, there is a licence fee if he operates a whitefish station, packs his own fish, and perhaps buys from one to seven boats. If he does this he has to pay a licence fee of $100 and for each additional boat over seven he has to pay another $25. If there are skiffs fishing out of his station he has to pay an additional $30 for any number of skiffs up to 20, and a further $2.50 for each skiff over 20. He also pays the lands branch $100 for the rent of the property his station occupies. In most instances it is approximately one acre of land. Besides this, he pays a licence fee for his wood and the logs he uses in his wharf. All these things are a real burden to an industry which is in difficulty at the present time. There are many other problems with which I could deal but I want to get back to credit for fishermen.

At present, fish companies extend credit to many fishermen for their fishing operations. This includes, nets, twine and general supplies and extra cash to pay wages and licence fees. Naturally, when fish companies extend credit to many fishermen, some are successful and others are not. In order to stay in business the fish companies of necessity must make proper allowance for losses or for bad accounts. I feel confident that if the fishermen had some other source of credit and were therefore free to sell wherever they could get the best price they would be more successful. I am sure that all the companies would welcome the opportunity of getting out of this type of financing, but with no other credit available to fishermen they are unable to shake this burden. This system seems to prevail all over the country. Credit is being made available to farmers and I feel that the same type of credit should be made available to our fishermen. Whether this new

credit would be made available by broadening existing legislation or the setting up of an agricultural and fishermen's development bank on a basis similar to the industrial development bank is a matter for the government to decide.

I feel that the extending of credit, both short term and long term loans to those primary producers, the farmers and the fishermen, will be of great benefit to the economy of the country as a whole.

(Translation):

Mr. Gabriel Roberge (Megantic): Mr. Speaker, I should like, first of all, to congratulate the hon. member who spoke before me, because I gathered that he limited his remarks as much as possible to the resolution before the house. However, if I may keep the debate within its proper limits, I think it would be useful to read over to you the substance of the resolution introduced by the hon. member for Drummond-Arthabaska (Mr. Boulanger), which suggests to the government to consider:

> —the advisability of establishing an agriculture and fisheries development bank to consolidate and expand existing credit facilities for persons engaged in these primary industries—

I listened today not only to the remarks of the members from the opposition, but also to those of the government supporters, and indeed I had the impression that all of them were in agreement to say that the resolution was well taken. As a matter of fact, I heard no one say that he was opposed to the resolution. So, Mr. Speaker, without criticizing the decisions that you and Mr. Deputy Speaker have rendered when the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) delivered his speech, we tried as much as possible to remain within the scope of the question under study.

If my memory serves me right, that resolution was put on the order paper last year by the hon. member for Drummond-Arthabaska, who represents the riding next to mine. Unfortunately, this resolution had not been dealt with and I congratulate him for having included it again on the order paper. I congratulate him also for having been the first member to present a resolution on the first private members' day.

Mr. Speaker, I do not propose to be very long, because I think that at this late hour, at 20 minutes to 10, it is time to vote on the question and I would not like to talk too much and prevent the members from voting on the important suggestion made by the hon. member for Drummond-Arthabaska.

It is easy for me to give my opinion since I already made it known to this house last year while the estimates of the Department of Agriculture were being considered, when I stated, as quoted on page 2945 of *Hansard*:

> But we should also keep in mind that farming is, to a certain extent, about to lose its character of a family concern in order to become a real industry. I think the government . . . should concentrate on this problem and realize that the farms of our country might cease to be an economic family unit in order actually to become an agricultural industry.

Mr. Speaker, obviously we, on this side of the house, are in favour of maintaining farms as family concerns, but we must not close our eyes and try to stop the change, nor should we forget that the family concern is really developing into an agricultural industry. We should, by adequate methods, safeguard this system based on family industrial concerns, and it is for that reason that we on this side of the house, have thought fit to suggest the establishment of this agriculture development bank whose advantages were outlined by my colleague for Drummond-Arthabaska.

Mr. Speaker, I have a great deal of notes—it is not a written speech—I also have quotes to give to the house, but since it is getting late, I will refrain from reading them. All I want to say is that we, of the opposition, sincerely believe that the creation of an agriculture development bank would be one of the solutions needed to settle the farm problem, not only in the province of Quebec, but in the whole country.

So, I think that the hon. members should come to an immediate conclusion about the value of the resolution presented by the hon. member for Drummond-Arthabaska.

(Text):

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I am very happy to say a few words with reference to the motion as I represent a constituency largely populated by ranchers and farmers. I am not going to quote what has been mentioned in the speech from the throne. I was going to deal with the argument of the hon. member for Bonavista-Twillingate (Mr. Pickersgill) that the motion before us is redundant because in spirit the speech from the throne says exactly the same thing as the motion we are now debating.

In dealing with credit as far as the western farmer is concerned, it is difficult to isolate the different programs established for the farmers of western Canada under various

statutes but if in the few remarks I make in the time left at my disposal I refer to certain statutes it is because the credit provided thereunder pertains to a particular phase of agriculture. It is often thought, particularly in eastern Canada, that western Canada farms are very large, and I should like to take a few moments to quote from an address made by the Minister of Agriculture (Mr. Harkness) on October 28, 1957, in which he dealt with cash advances for western farmers. At that time he said, as found at page 462 of *Hansard*:

> That is specified acreage. This is a list giving the breakdown of permit holders in western Canada, being a total of 230,854 and of this total there are 31,299 who have from zero to 99 specified acres or acres under cultivation.
>
> There are 63,272 who have between 100 and 199 acres and there are 51,762 who have between 200 and 299 acres under cultivation. . . In other words, contrary to the general belief existing in eastern Canada that western farmers are all big farmers, rich farmers and in some cases are reputed to go to California for the winter and that sort of thing, there are in fact very few farmers in this category and most of them are small farmers in this area. As these figures indicate, in fact two-thirds of them or a little less have farms with 300 acres or less cultivated land.

So that two-thirds of the farmers of western Canada have 300 acres or less. When dealing with farm credit the size of the farm is very important. In the last twenty years a revolution has taken place in the farming industry in western Canada as in other industries. The horses that used to be seen in the fields have now been replaced by the most modern type of equipment. This revolution has left a demand for credit. Representing a farming district, I believe there are four reasons why the farmers of western Canada need extended credit. In the first place, in order to conquer the wheat surpluses of western Canada it has been necessary for the farmers to diversify their crops and some of them have had to go into stock raising. For example, one of the farmers in my constituency went into the production of a new type of grass seed this year. The seed cost $1 a pound. In order for this farmer to get into the production of this new type of crop and in order for others to go into stock production so as to cut down the surpluses of wheat it is necessary for our farmers to get credit.

The second reason for extending credit is in order to conquer the cost-price squeeze about which we have heard so much in the house. Western farmers have had to obtain larger equipment and more land. If the farmer is to get that type of equipment and obtain more land so that he can cut his overall costs it is necessary for him to obtain credit. In addition, many of the early pioneers who came to Saskatchewan and Alberta are now retired and some have died. Young men who wish to farm need credit to buy these farms. That is why in spirit I support the motion. That is why I was very happy to hear in the speech from the throne that the question of credit would be reviewed.

There is one other reason why credit is very important to the farmers of western Canada and it has to do with whether private capital will come into the provinces of Saskatchewan and Alberta. During the regime of the C.C.F. government in Saskatchewan certain legislation was placed on the provincial statute books such as the land contracts action act and other acts which have scared out private capital.

Mr. Argue: Oh, nonsense.

Mr. Woolliams: It is not nonsence. The hon. member for Assiniboia says it is nonsense but he knows it is true.

Mr. Argue: You told us this three or four times last session.

Mr. Woolliams: You must have been listening in your dreams to speeches I did not make because I only made one speech last year. If I may continue, private capital has been scared out of the province of Saskatchewan.

Mr. Argue: Nonsense.

Mr. Woolliams: The people who provide the capital know that they have no real security because of that type of legislation. Under the judicature act of Alberta the same problem exists. That is why we need the type of legislation referred to in the motion, so that our farmers can get capital to improve their output of production and because it will also assist to keep young men on the farms.

An hon. Member: Let us proceed with the vote.

Mr. Woolliams: I hear the voice of the hon. member for Assiniboia (Mr. Argue) again, but in discussing this question of credit I would say that our party needs to offer no apologies to the western farmer for what it has done. Here is our record in so far as these statutes having to deal with credit are concerned. Even in the thirties we introduced the wheat board legislation. Our party was the first to bring in floor prices. We introduced the Farmers' Creditors Arrangement Act, because after the droughts in the thirties most farmers in Saskatchewan and Alberta were insolvent. As a result of that legislation millions of dollars of debt were written off, so that today the farmers in Saskatchewan and Alberta have clear titles to their farms.

We also brought in the Prairie Farm Rehabilitation Act which, in many cases, resulted in water being put on farms where there was no water. Today thousands of pounds of beef are being produced on these farms. When I hear the voice of my good friend from Assiniboia, I should like to remind him, too, that we supported the same co-operative movement. I should like to ask my good friend from Saskatchewan, who attended the same university that I attended, in so far as this march on Ottawa is concerned: who is leading this march? It is Charlie Givens. This is the same Charlie Givens who is vice-president of the Saskatchewan wheat pool. What is his policy? Charlie Givens was the leader of the C.C.F. group in the mock parliament of the University of Saskatchewan during 1938-39.

I would ask some of those members of the wheat pool to look back at the records of the thirties when the farmers of western Canada were insolvent, so were the co-operatives and so were the wheat pools. What government in western Canada backed the Saskatchewan wheat pool financially? It was none other than the Anderson Conservative government. They were the ones who backed the wheat pools at the banks in order to keep their co-operatives in shape to compete with the line elevator companies.

In so far as obtaining money to operate the farm is concerned, we have had such legislation introduced as that which provides cash advances. We know, and it has been said many times by western members in this house, that the farmer finds it very difficult to deliver his wheat. In fact, back in my constituency today there are some farmers who have a one or two bushel quota. Cash advances have helped to put money in these farmers' pockets, but even with cash advances there is a need for the extension of credit to the western farmer.

Our record in 1958 is a pretty good one. Let us look at Alberta. In Alberta in 1958 there were loans disbursed totalling $3,600,336, while in 1957 in Alberta there were only $1,547,000 advanced by the Canadian farm loan board. In Saskatchewan in 1958 this same agency advanced $4,600,000, and in 1957 during the same length of time there were $2,980,000 advanced. When you look at the record you find that this administration advanced double the amount of money through the Canadian farm loan board in Saskatchewan and Alberta, as was advanced the year before. I am very happy to see the Minister of Agriculture (Mr. Harkness) is in his place tonight, and to know that, according to the speech from the throne, a further extension of credit will be granted to the western farmer, and particularly in Alberta and Saskatchewan.

Some hon. Members: Question.

Mr. Woolliams: I might now outline what I would recommend. I have discussed this with many of the farmers in my constituency. The farmers in Alberta, and particularly in Bow river, say that they need long term loans at low interest rates. The reason for this need is that they wish to expand their operations, have more land and buy machinery. They need long term loans similar to those granted under the National Housing Act. The second thing is that the farm loan board has been administered from one city in the province of Alberta. The farmers of Alberta with whom I have discussed this would like to see the farm loans administered at various offices throughout the province, just like the National Housing Act loans are administered.

The farmers would like also to see the red tape eliminated, and loans processed as quickly as are the National Housing Act loans. In this way the credit would get out to the farmer quickly, and there would not be so much red tape as they have had to go through by reason of the loans being processed through one particular city in Alberta.

I should be very happy to say a few words on behalf of the farmers in my constituency so far as credit is concerned, because without credit the farmer cannot defeat the cost squeeze from which he is suffering. This is one of the reasons that the farmers have assembled in Saskatchewan, looking forward to this march on Ottawa. I know that these farmers, if they ever come from western Canada, will receive a very courteous hearing from the ministers who sit on the front benches. This is one thing that differentiates the present cabinet ministers from the ministers in the former administration. As an example, I might tell you one little incident that occurred. One of the coal miners in Canmore said he went down to see Mr. C. D. Howe two or three years ago with reference to an extension of the unemployment insurance.

Mr. Speaker: Order. The hon. member is straying a bit from the resolution.

Mr. Woolliams: That is true. This miner was told to return because they would not change the Unemployment Insurance Act just for one coal miner. The same situation

exists so far as meeting ministers is concerned, and so far as the delegates from western Canada are concerned.

Mr. C. F. Kennedy (Colchester-Hants): Mr. Speaker, I see that the time is very limited. May I call it 10 o'clock?

Some hon. Members: No.

Mr. Speaker: I think if the hon. member draws another breath, he may call it 10 o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the house leader if the order of business for tomorrow is as indicated on Friday evening? If it is, will it be taken in the same sequence, with the supplementary estimates first?

Mr. Green: Yes.

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

ANSWERS TO QUESTIONS

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

DUMPING OF TEXTILES—INSPECTORS

Question No. 23—**Mr. Boulanger:**

1. Have any inspectors been employed by the Department of National Revenue since January 1, 1958, in connection with the alleged dumping of textiles in Canada?

2. If so, how many such inspectors have been employed and what are their names?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

1. Yes.

2. 21: Armour, W. J.; Barron, E. C.; Bird, R. T.; Boyce, E. A. W.; Bruce, J. E.; Cheney, B. J.; Dodman, C. G.; Drabek, S.; Hagen, D. R.; Heisel, M. E.; Hillier, L. B.; Hines, R. H.; Howey, L. C.; Laurin, E. J.; McKillop, J. M.; McNally, J. R.; Olivier, M. A.; Porter, A. R.; Shaw, R. A.; Staines, B. R.; Walters, A.W.

Of this group, 13 were recruited since January 1, 1958. In addition to the 21 dominion appraisers listed who specialize in textiles, the chief dominion appraiser, as well as his assistant, and other senior officials in the customs-excise division are from time to time occupied with problems arising out of the alleged dumping of textiles into Canada.

AMP-1100 LUBRICANT

Question No. 35—**Mr. Fisher:**

1. Is the Royal Canadian Air Force carrying out a test of a lubricant AMP-1100?

2. If so, what is the purpose of the test and what standards have been established to prove the purpose?

3. What are the quantities of oil necessary to carry out the full test?

4. How much of this quantity had been purchased up to January 20, 1959?

5. How long will the test take, and when is it estimated results will be collated and some conclusion made?

Answer by: **Hon. G. R. Pearkes (Minister of National Defence):**

1. Yes.

2. The purpose of the test is to determine the advantages of AMP-1100 as a lubricant for aircraft engines. The test is being conducted by the addition of the lubricant to aircraft engines which are being used in normal service. The assessment will be made during engine overhaul by comparing the stripped test engines with those engines using the usual lubricants. Normal inspection standards of engine wear and cleanliness will be used as the basis of comparison.

3. It is estimated that the quantity of oil necessary to carry out the full test will be approximately 1800 gallons.

4. The R.C.A.F. has purchased approximately 1,000 gallons up to 20 January 1959.

5. The test is of a continuing nature until conclusive results are obtained. The test commenced during the fall of 1958 and is expected to continue for approximately 18 months. The results and conclusions should be available by late 1960.

C.B.C. PERSONNEL, MONTREAL

Question No. 46—**Mr. Parizeau:**

1. Have Messrs. Fernand Quirion, Gérard Pelletier, René Levesque, Pierre-Elliott Trudeau, Michel Chartrand, Jean Duceppe, André Laurendeau, Jacques Hebert, Jean-Louis Gagnon, Gérard Fillion, Gérard Picard, and Miss Alexandrine Leduc Pelletier, been employed by the Canadian Broadcasting Corporation at any time since 1955?

2. If so, during what period?

3. At what salary or remuneration was each employed?

4. Were any expenses paid to the above persons during their employment?

5. If so, what amount?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

1 and 2. Fernand Quirion has been employed on contract basis as a program producer. Rene Levesque was employed between 1955 and February 29, 1956, as supervisor of outside broadcasts (French), and has subsequently been engaged as a commentator on a per occasion basis.

The other persons listed have been engaged from time to time on a per occasion basis as free-lance performers.

3. It would be detrimental to the position of the corporation in negotiating for the services of producers, performers, etc., to make public the amounts paid to individuals for services.

4. Travelling expenses, where the assignment necessitated such, were reimbursed.

5. $15,830.00 since 1955.

UNEMPLOYMENT—SEASONAL BENEFIT CLAIMS

Question No. 51—**Mr. Houck:**

1. How many persons established seasonal benefit claims for the period from December 1, 1957 to June 30, 1958, both dates inclusive, in each province?

2. What was the aggregate amount of the seasonal benefits paid during that period in each province?

Answer by: **Hon. Michael Starr (Minister of Labour):**

Questions

1 and 2.

Province	SB Claims Established 1 Dec., 1957- 30 June, 1958	Estimated SB Paid 1 Dec., 1957- 30 June, 1958
Newfoundland	25,253	$ 6,889,917
Prince Edward Island	5,369	1,342,399
Nova Scotia	26,196	5,817,015
New Brunswick	33,325	7,676,681
Quebec	147,327	31,588,162
Ontario	120,210	25,625,551
Manitoba	18,452	3,863,889
Saskatchewan	13,283	2,957,642
Alberta	19,199	3,524,737
British Columbia	47,008	10,871,645
Total	455,622	$100,157,638

HOUSE OF COMMONS

Tuesday, February 3, 1959

The house met at 2.30 p.m.

PIPE LINES

NORTHERN ONTARIO PIPE LINE—STATEMENT RESPECTING FINANCING

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I should like to make a brief announcement concerning the financing of Northern Ontario Pipe Line Crown Corporation. Hon. members will recall that in November, 1955 the former government entered into an agreement with Trans-Canada Pipe Lines Limited for the construction and rental to Trans-Canada Pipe Lines Limited of the northern Ontario section of an all-Canadian natural gas pipe line.

To launch the project and to enable Trans-Canada Pipe Lines Limited to enter into contracts to buy and sell gas and to finance construction of its portion of the line, an arrangement between the government of Canada and Trans-Canada Pipe Lines Limited regarding an assured rental of the northern Ontario section on a firm contractual basis was entered into. To determine the rental a firm interest rate was fixed at 3½ per cent. Concurrently an agreement was entered into with the province of Ontario whereby the province agreed to lend to the crown corporation which was to be set up to construct the northern Ontario section of the line one-third of the cost or $35 million, whichever might be less.

The interest on the capital investment of the two governments was to be payable at rates related to the respective rates of interest prevailing for outstanding obligations of Ontario and Canada, and was to be agreed upon prior to the commencement of the construction of the northern Ontario section.

Although the lease with Trans-Canada Pipe Lines Limited was based on a firm interest rate of 3½ per cent, no firm arrangements with Ontario were made by the former government regarding the rate of interest on the province's share of the advances, and in the absence of any agreement on the interest rate no advances have been made by the province of Ontario. Consequently the crown corporation has been financed entirely by advances by Canada. To the 31st January, 1959 we have advanced a total of $112,750,000 to Northern Ontario Pipe Line Crown Corporation.

In the course of recent discussions concerning the rate of interest which was to be paid on any advances that might be made by the province of Ontario, Premier Frost has taken the position that Ontario should not be called upon to make any advances to the crown corporation at anything less than the going rate of interest; that is to say, the rate of interest which the province of Ontario itself must pay on moneys it borrows, and that rate is somewhat higher than the rates prevailing at the time the original agreement was made and construction commenced, and certainly higher than the 3½ per cent rate.

We have searched the records carefully and can find no place where in any discussion or any exchange of correspondence which occurred between the government of Canada and the government of the province of Ontario there was any stipulation on the part of the former federal government as to the rate of interest at which the loan was to be made by the province of Ontario; and having nothing in that respect to rely upon the government has concluded that as the main pipe line of the northern Ontario section has been substantially completed on the basis of federal funds—although there will be some additional capital outlay for compressor stations—and as gas is now flowing through the lines, there is no point now in asking the province to advance any share of the moneys as originally agreed.

The fact is that if the province of Ontario were to advance moneys to this crown corporation at the rate of interest which it must pay on its public borrowings it would simply mean a deficit on the part of this crown corporation which the federal treasury would have to make good. Accordingly, Mr. Speaker, the government has decided that under the circumstances it has no alternative but to provide all the funds required to complete the construction of the northern Ontario section of the pipe line.

CANADIAN RADIO PATENTS LIMITED

STATEMENT ON TALKS HELD IN WASHINGTON ON JANUARY 29

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I should like to give the house a brief report on the talks held in Washington

Statement on Canadian Radio Patents Ltd.

on Thursday, January 29, between myself and Hon. William P. Rogers, Attorney General of the United States, concerning the extraterritorial effects of actions launched in United States courts under United States antitrust laws.

I was accompanied by Mr. T. D. MacDonald, director of investigation and research of our Department of Justice and by officials of the Canadian embassy in Washington. On the United States side, in addition to Mr. Rogers, the talks were attended by senior officials of his department and by an official of the United States state department. For the background of the discussion I should refer hon. members to my statement on January 19, 1959, reported on page 25 of *Hansard*. The talks were held in accordance with the arrangements outlined there.

In the course of those talks I outlined our concern about the effects in Canada of antitrust actions commenced by the United States government in United States courts. While our concern in this matter is of general application, it was illustrated and discussed particularly in the light of the current antitrust suit commenced on November 24, 1958, in which three companies in the United States are named as defendants and a number of companies incorporated in Canada are named as co-conspirators.

This suit arises out of the alleged activities of all of these companies in connection with a Canadian organization known as Canadian Radio Patents Limited. This is a company which was formed in 1926, to which the leading companies in Canada have assigned their patent rights. This company has in general licensed those patents only to firms intending to manufacture in Canada, and it is a significant fact that this organization has never since its inception been charged with any offence against any Canadian law. It is also significant that we have in Canada today a healthy and expanding radio and television appliance manufacturing industry, and that only a very small proportion of Canadian domestic requirements in this field is imported from the United States.

In the course of our discussions I made it clear that I was not commenting on the merits of the antitrust case in the United States in so far as it sought only to bring United States law to bear upon United States companies in respect of their conduct in the United States. I also made it clear that I was not discussing the merits of Canadian Radio Patents Limited as such.

I emphasized that what we are concerned about is the possible effect of the decree asked for in the United States in so far as it may require directors of Canadian companies to take certain actions with respect to the operations of those companies in Canada, which actions would not be dictated by the requirements of Canadian law, or be in accord with Canadian business or commercial policy, but would be dictated by requirements of United States law and be in accord with United States policy.

I made clear that in our view such a result could only be regarded as an infringement of Canadian sovereignty. I suggested that if the United States government has any feeling that actions in Canada in this or in any other field are counter to United States interests or involve any infringement of arrangements with respect to commerce between our two countries, the proper course for them is not to seek to alter the situation in Canada by means of unilateral action in United States courts, but rather to raise the problem with the Canadian government and express their views through the usual channels.

I further stated that it is our view that in matters of this sort the ultimate decision as to what is done in Canada must be the responsibility of the Canadian government, and that we felt that the answer to the problem lies in the exercise of restraint by the United States government in seeking from their courts or applying measures that interfere directly, substantially and deliberately with matters that are essentially matters of Canadian commerce within Canada.

In particular, I emphasized our view that to follow any other course could only be based on the unacceptable proposition that foreign subsidiaries of United States parent companies are merely projections of United States trade and commerce and subject to United States policy in priority to the laws and commercial interests of the countries in which such subsidiaries are incorporated and carry on business.

The United States Attorney General assured me that the action taken by the United States government in this or any other antitrust suit is not taken by them with any intent of infringing the sovereignty of Canada but is taken only in discharge of the responsibility resting on their government to enforce the United States antitrust laws in their own country. He expressed the view that no threat to Canadian sovereignty is involved and also his concern that the contrary view should have been taken. He emphasized that the United States government did not take the position that United States laws should supersede the laws of any other country, but acted only in accordance with what it regarded as its obligation to ensure that all persons in any way subject to the

United States laws, including American antitrust laws, lived and acted in accordance therewith.

As a result of these talks it was readily agreed that in any similar situation in the future, discussions will be held between the two governments at the appropriate stage when it becomes apparent that interests in one of our countries are likely to be affected by the enforcement of the antitrust laws of the other. Such discussions would be designed to explore ways and means of avoiding the sort of situation which would give rise to objections or misunderstandings in the other country. It was, however, made clear that each government would have to reserve its ultimate responsibility to decide for itself what action it should take, and that such consultations should not be regarded in any way as necessarily implying approval of the action ultimately taken.

I believe that the arrival at an understanding on prior consultation is a real accomplishment. At the same time I do not wish to over remphasize the extent or effect of this understanding regarding consultation. It should be realized that there was revealed in the course of these discussions, a wide divergence between our two views as to what amounts to an infringement of sovereignty and as to the restraint which one country should exercise in seeking decrees from its own courts when those decrees may have effects within another country. Until there is a satisfactory reconciliation of views on these points there can be no guarantee that causes for complaint will not arise again.

While I believe that I should in fairness place these facts squarely before the house, nevertheless I repeat that in my view the talks may prove an important and useful first step toward an improvement in the situation, by enabling each side to understand what is the other's point of view, and by opening the door to further consultation which may in turn lay the ground for progress in the reconciliation of those views.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the minister has made a statement about a matter which is causing a great deal of concern in this country, because it represents what certainly seems to be unwarrantable and indefensible interference by the United States in the affairs of Canadians. The minister has indicated that as a result of his discussions in Washington on this matter with the appropriate member of the United States government he has received an assurance of consultation on matters of this kind to avoid this particular situation arising in the future.

While we all welcome that assurance, Mr. Speaker, I cannot help but point out that similar assurances were received in regard to consultations last summer during the course of the President's visit to Ottawa, and they were repeated in this house by the Prime Minister on July 11. We must hope, therefore, that these assurances will be more effective in their implementation than they seem to have been in the last six months.

There is an item in the supplementary estimates which concerns the administration of the Department of Justice, that will be coming up shortly. During that discussion we on this side of the house propose to go into this subject in more detail than is possible at this moment.

Mr. Hazen Argue (Assiniboia): As we of the C.C.F. have said on other occasions, Mr. Speaker, we feel it is most regrettable that companies in Canada which are subsidiaries of United States companies would appear to be required to follow laws laid down in the United States, contrary to the policy of the Canadian government and contrary to Canadian law. Without talking at this moment about the principles involved, I can say most emphatically that we agree with the principle that companies in Canada should follow Canadian law only and should not be required in any way, shape or form, to follow laws laid down in foreign countries.

We think it is time the Canadian government not only talked in this manner to the United States, but considered introducing in our parliament a law which would make it crystal clear that companies operating in Canada must obey Canadian laws and must operate in our commercial interests. In addition, it should be made clear that in any instance in which there appears to be a conflict between the commercial interest of this nation and the law of some other country, our law and our commercial interest only should apply.

Perhaps this is a difficult subject upon which to make this kind of statement, because there is evidence that we have in Canada a trust so far as the Canadian radio patents pool is concerned. I want to point out immediately that the Ilsley royal commission is inquiring into this subject and will be making a report to parliament. It may be that Canada should take its own action so far as the monopoly in this field is concerned, but that in no way detracts from the statement I have made that in principle Canadian law and Canadian interest only should govern the actions of Canadian companies.

I want to repeat to the minister a request we made in this house in another form and on another occasion. I do this not in any

partisan political way. I would ask the minister to give consideration to referring this general question to a committee of this house so there may be a discussion of the whole broader question of the actions of Canadian companies so far as foreign orders are concerned, possible refusals in the interests of parent companies, and so on.

We do feel that the minister is thoroughly justified in laying down the principle he has laid down at this time. We hope, we trust and we expect that the method of handling these disputes in the future will be more satisfactory to Canada than the result of similar assurances given in this house last year.

Mr. Fulton: I recognize that it is not desirable to debate this subject at this time. As the Leader of the Opposition has said, there will be an opportunity to discuss the subject later, probably today. I rise therefore at this moment only for the purpose of referring to what the leader of the C.C.F. party said a moment ago. He stated that there is evidence that we have in Canada a trust so far as radio and television patents are concerned. I have made it clear in all my discussions that I am not defending the merits of Canadian Radio Patents Limited as such. But I should also make it clear that we have no evidence of the nature suggested by the hon. gentleman at least if he refers to a combine or monopoly. If there is such evidence we should be grateful to have it brought to our attention.

LABOUR CONDITIONS

BRITISH COLUMBIA—REQUEST FOR CALLING OF PROVINCIAL-MUNICIPAL CONFERENCE ON UNEMPLOYMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he has received, as I have, a telegram from the British Columbia federation of labour and its affiliates demanding immediate action to alleviate unemployment in British Columbia and requesting the immediate calling of a conference of provincial and municipal governments to meet the unemployment crisis. If he has received such a message, I should like to ask what action he intends to take with regard to it.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will take that question as notice.

[Mr. Argue.]

CRIMINAL LAW

REQUEST FOR REPORT OF ROYAL COMMISSION ON SEXUAL PSYCHOPATHS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Justice. Will the minister inform the house as to when he will file the McRuer commission report on criminal sexual psychopaths, and also when copies of this report will be available to members of the House of Commons.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the hon. gentleman was kind enough to give me notice of his question. On inquiry I find that the report has been received, that it has now been translated and is in the course of being printed. As soon as it is printed in both languages the report will be tabled in parliament, and I will do what I can in order to make sure that copies are available for hon. members.

WATER RESOURCES

CHICAGO DIVERSION—INQUIRY AS TO OBJECTION TO U.S. LEGISLATION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. I should like to know whether the government has sent a note of protest to the United States government in connection with Bill HR 1 now before congress for the further diversion of water out of the great lakes into the Chicago drainage canal.

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, as I informed the house a few days ago this matter relating to the purport of Bill HR 1 is under consideration. We are considering various representations that have been made by officials and by other organizations. We have not made a protest.

POWER

COLUMBIA RIVER—INQUIRY AS TO PRODUCTION OF DOCUMENTARY FILM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, with optimistic anticipation I wish to address a question to the Minister of Citizenship and Immigration. In view of the minister's assurance on August 28 last that a documentary film of the Columbia river basin in Canada would be undertaken by the national film board, and in view of the importance of and interest in the development of

this glorious area, will the minister inform the house of the progress made to date in the production of this long awaited documentary film?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, if my memory serves me well the hon. member inquired last August whether or not such a project would be undertaken some time in the future. I think the ensuing five months is a small bite out of anything so broad as the general future, but I can assure him that the answer I gave him at that time is still correct. The matter is not being lost sight of. It cannot be proceeded with until the film on the Fraser river is completed, and we hope to have it ready for distribution this spring. The Columbia river film is at present in the project stage.

INCOME TAX

PREMIUM IRON ORES—REFERENCE OF AIDE MEMOIRE TO U.S. COURT

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I should like to direct a question to the Prime Minister. He will recall that the Minister of National Revenue informed the house that the Prime Minister's aide memoire in the Premium Iron Ore case by request was circulated among departments of the United States government. Does the minister know whether or not that aide memoire has been drawn to the attention of the United States federal court of appeals which is hearing the case? If not, can he take any steps to see that this is done?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as the government of Canada is not in any way a party to the proceedings of that appeal, naturally it would be inappropriate for the government of Canada to take such action. I have no knowledge as to whether or not the aide memoire has been brought to the attention of the court. The original one, as I recall it, was dated November 28, 1956, and was sent to the appropriate minister in Washington by the then government. On December 23, 1957 this government associated itself with the terms of that aide memoire. Further than that—and I am sure the hon. and learned gentleman will realize the correctness of this view—governments cannot interfere in the courts of another country in matters in respect of which they are not parties.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—LIQUOR RIGHTS IN BRITISH COLUMBIA

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. On Friday, January 23 I inquired of her whether she had received from the government of British Columbia a request for federal cabinet approval of liquor rights, as they are generally called, for native Indians of British Columbia, and her answer at the time was that no representations had reached her desk. I wonder if that is still the situation.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): At that time I made inquiries and found that nothing had come into my department. I have not asked about the matter in the last couple of days, but to the best of my knowledge and belief nothing on this matter has yet reached us.

FINANCE

AUDITOR GENERAL'S REPORT—INQUIRY AS TO GOVERNMENT ACTION

On the orders of the day:

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I should like to direct a question to the Minister of Finance with regard to the recent report of the Auditor General. Can the minister indicate what action the government is contemplating with regard to the facts brought out in this report?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the contents of the report of the Auditor General have been referred to all the departments of government concerned, and appropriate action where necessary will certainly be taken.

Hon. Paul Martin (Essex East): May I ask a supplementary question. Has the hon. gentleman read the editorial in last night's Ottawa *Journal*?

Mr. Fleming (Eglinton): No, Mr. Speaker, I have not.

Mr. Martin (Essex East): You should read it every day.

Mr. Fleming (Eglinton): There is quite a lot of reading matter I should like to recommend to the hon. gentleman.

IMMIGRATION

LOUIS SMRKE—REFUSAL TO PERMIT TRANSIT THROUGH UNITED STATES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. Can the minister say whether any protest has been made to the United States, or whether any inquiry has taken place, regarding the apparently unwarranted refusal of United States officials to allow Louis Smrke, a hockey player of the Belleville McFarlands, to pass through the United States en route to play hockey in Europe?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, I can assure the hon. member that no protest has been made in this regard, and I might add that as far as I know no request has come from any person for assistance in this matter. I also understand from the press, and only from the press, that Mr. Smrke was able to make alternative travel arrangements in connection with his trip to Europe.

The action taken by the United States immigration officials on this occasion appears to have been of a routine nature under the provisions of the United States immigration and naturalization act. A Canadian citizen seeking temporary entry to the United States must be able to satisfy the United States immigration officials examining him that he could have qualified for the grant of a United States visa had he applied for one. The question of the admissibility of an individual to any given country is, of course, a matter for the authorities of that country to decide.

While I am on my feet, Mr. Smrke—

Some hon. Members: Oh, oh.

Mr. Smith (Hastings-Frontenac): —Mr. Smrke, I may say, is a member of the Belleville McFarlands team which is going to contest the world amateur hockey championship in Prague, and we wish them all every success.

Mr. Speaker: For the record, I think I should ask the Secretary of State how he spells the name "Smrke".

Mr. Argue: According to the press report it is "S-m-r-k-e". I wonder whether in the light of the minister's statement an inquiry could be undertaken so that similar refusals might not be made in future. Surely this is an appropriate thing for Canada to inquire about, since it affects one of its citizens.

Mr. Speaker: Order. I think the hon. member is asking a question to which he has already had an answer.

Mr. Grills: For the information of the house, Mr. Smrke was playing hockey in Scotland last night, and the result was a tie game.

(Translation):

CANADIAN BROADCASTING CORPORATION

MONTREAL—INQUIRY AS TO PRESENT STRIKE POSITION

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I should like to address a question to the Minister of National Revenue. Has the minister any statement to make on the latest developments since yesterday concerning the producers' strike? Has he further information to give on this subject?

[Mr. Argue.]

(Text):

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I am not in a position to make any statement with respect to new developments. It is true that over the week end, so I have been told, the hon. member for St. Lawrence-St. George (Mr. Chambers) in whose constituency many of these producers and other employees of the Canadian Broadcasting Corporation live, was waited upon by them and discussed the problem with them, as a result of which yesterday, in Ottawa, he contacted the officers of the C.B.C., who said they would be very glad indeed to resume discussions with the producers on the understanding which resulted from the discussions on Sunday night, which apparently implied that the producers are prepared to take a different attitude than heretofore.

I believe discussions are going on now, or will be going on in the near future, tonight or tomorrow, so I think it is advisable to say no more at the present time; but I am sure everyone in the house will be glad to know that these discussions are taking place, and we hope satisfactory arrangements can be made to bring an end to this unhappy situation which has prevailed during past weeks.

(Translation):

Mr. Denis: Mr. Speaker, I should like to ask another question of the Minister of National Revenue. Had the hon. member for St. Lawrence-St. George (Mr. Chambers) been officially designated by the government to negotiate with the interested parties concerned?

(Text):

Mr. Nowlan: The hon. member for St. Lawrence-St. George is not in a position to speak for this government, and I am sure he would be the last to say he was. Any statement made on behalf of the government or the C.B.C. will be made by this minister for such time as he remains minister in charge of the Canadian Broadcasting Corporation.

(Translation):

Mr. Denis: Mr. Speaker, I think the Minister of National Revenue misunderstood my question. I asked whether the government had made some suggestions or representations or whether it has a statement to make about that strike, and not what might have been done by an hon. member who was not officially designated by the government. I understand the minister wants to give some

credit to the member for St. Lawrence-St. George, but my question was directed to the government, not to the hon. member.

(Text):

Mr. Nowlan: In reply to that somewhat lengthy question which could have been expressed, I feel, in far fewer words, the government has given no instructions and made no suggestions to the hon. member for St. Lawrence-St. George or to anyone else.

As I have said time after time in this house, and I repeat it now, this is a matter for negotiation between the corporation and the representatives of the producers. It just happens, as I understand it, that the hon. member for St. Lawrence-St. George is a good representative of his constituency—as we all had to be in the days gone by—who has a large number of these C.B.C. employees in his constituency and used his good influence to discuss the matter and bring them again in touch with the corporation. I assure him of our appreciation.

TRADE

OIL—INQUIRY AS TO REPRESENTATIONS RESPECTING IMPORTS INTO U.S.

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. Bearing in mind that the United States government will be reaching a decision at the end of this month as to oil imports from other countries, would the minister advise the house whether or not the Canadian government has made representations to the United States in an effort to protect our oil interest in this direction.

Hon. Sidney E. Smith (Secretary of State for External Affairs): I have nothing to add to the statement which is to be found in the communique issued after the meeting of the joint committee on economic and trade matters which met here early in January. That communique has been tabled in the house.

COMMONWEALTH RELATIONS

WEST INDIES FEDERATION—INQUIRY AS TO GIFT OF SECOND SHIP

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I wonder if I could direct a question to the Minister of Trade and Commerce and ask him when I may expect a reply to the question I asked last week; namely, whether it was the intention of the government to provide a second ship to the West Indies federation and whether or not it was a fact that the plans and specifications of the first ship were not yet ready.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, this is a question which is of interest to two or three departments of the government. The Department of Trade and Commerce is particularly concerned with regard to the actual details as to the type of ship to be built and the plans and specifications required therefor. Our officials have been in consultation with officials of the government of the West Indies to determine the type and size of ship that shall be built. Those consultations are continuing, but I believe they are very close to being settled.

Mr. Chevrier: May I ask the Minister of Finance if a second ship will be given to the West Indies by the government of Canada?

Hon. Donald M. Fleming (Minister of Finance): I shall endeavour to answer that question, Mr. Speaker. It may be recalled that on September 23 last the Prime Minister issued a press release following negotiations which he had conducted with the Prime Minister of the West Indies and these are the terms of the press release:

> The Prime Minister announced today that following the exchange of letters with the Prime Minister of the West Indies, Sir Grantley Adams, the Canadian government proposed to recommend to parliament that $10 million be made available to the West Indies over the next five years as economic assistance from Canada; and that a sister ship be built under this program as a partner to the first Canadian ship, which Canada has already agreed to provide for the West Indian interisland shipping service.

AGRICULTURE

EGGS—STATEMENT ON REPORTED REDUCTION IN PRICE BY WESTERN PRODUCE ASSOCIATION

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, on January 27 the hon. member for Assiniboia asked me a question supplementary to his question to the Minister of Agriculture regarding a reported reduction in the price of eggs. He asked me whether the officials of the combines investigation branch were making an investigation into the situation. I told the hon. member that I would take his question as notice and give him an answer later. I apologize for the delay in giving my answer, which was due to my absence. I can now advise him that the combines investigation branch has received no complaint about this reported attempt to reduce egg prices, but discussions are under way with the Department of Agriculture to determine whether or not there is any basis for an investigation.

Supply—Agriculture

COMMONWEALTH CONFERENCE

REPORTED DISCUSSIONS RESPECTING MEETING OF PRIME MINISTERS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister if he would care to comment on a press dispatch out of London to the effect that discussions are now going on between the government of the United Kingdom and other governments of the commonwealth with a view to a conference of commonwealth prime ministers to be held in late June or early July of this year.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, all I can say at this time is that there have been some communications, but as I understand the situation at the moment there is no indication of the convening of a conference of commonwealth prime ministers in June or July of this year.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

695. Science service—Construction or acquisition of buildings, works, land and equipment—further amount required, $375,000.

Mr. Benidickson: Mr. Chairman, I wonder if the details of this item are to be provided by the Minister of Agriculture at this time, or by the Minister of Finance. In any event I believe the ministers will recognize that while on the first page we are referred for details to page 5, no details are provided on that page. Consequently we could perhaps have an indication of what buildings, works, land and equipment are to be provided by this vote.

Mr. Fleming (Eglinton): Mr. Chairman, I shall be glad to supply such information as I can. The item in question here in the amount of $375,000 is required for the construction of a forest biology laboratory at Laval University.

Item agreed to.

696. Production service—health of animals—compensation for animals slaughtered—further amount required, $400,000.

Mr. Winkler: Mr. Chairman, under the heading of this vote I should like to bring to the attention of the committee the seriousness of the current rabies epidemic in southern-central Ontario. I would ask the minister to bear in mind the seriousness of the losses suffered by farmers in that part of this province. The majority of the farmers there are engaged in dairy farming and in the raising of beef cattle for marketing, and it is here that the disease has been most rampant. Certain measures have been taken by the department to curb the spread of this disease through the biting of untamed and domestic animals, and various steps have been taken by the local authorities as well to prevent the spread of the disease. In consideration of the losses being sustained, however, I feel that some other measure of assistance should be considered.

There were 2,218 cases of rabies reported in Canada in 1958. Of this number 896 were reported in Ontario and were diagnosed through the federal laboratory. In addition there were a further 169 cases in Ontario that were clinically diagnosed by government veterinarians in various areas.

In my own riding of Grey-Bruce 178 cattle were lost to December 31, not to mention the considerable number of other animals including sheep, horses and others, with an additional 50 clinical cases diagnosed. This represents a considerable loss to the farmers in that area, and I know that other hon. gentlemen report a similar experience in their ridings.

I am aware of the statements that have been issued by the department, and I am familiar with the attitude of the department in this respect. The department realizes that the disease is not spread by the livestock themselves but is spread mainly by foxes and other such animals, and there is no discretionary authority for the minister to compensate for these losses.

In view of the seriousness of the epidemic I would ask the minister and his department to give consideration to paying compensation in those cases. My suggestion and the considered suggestion of farm organizations and farmers themselves in representations that have been made to me is that a flat sum outside of the Animal Contagious Diseases Act be considered as compensation for those farmers, and that it be provided through some enabling legislation under which the federal government would pay one-third, the provincial government one-third and the county level of government one-third. I would ask for the sincere consideration of the minister and his department in this particular case.

(Translation):

Mr. Boulanger: Mr. Chairman, I should like to ask the Minister of Agriculture to please give some explanations concerning the amount of $400,000 provided for in item 696.

(Text):

Mr. Harkness: Mr. Chairman, in regard to the question just asked as to an indication of what this particular amount of $400,000 is for, during the present fiscal year we have greatly stepped up the tuberculosis and especially the brucellosis eradication programs. This became particularly necessary because of a change in the United States health of animals regulations which was put into effect in November, and which made more stringent the regulations as far as the United States was concerned concerning those two diseases as applying to cattle which were imported into the United Sates. Therefore in order to protect our position and leave us in a position to export cattle from here to the United States we had to improve or increase our brucellosis and tuberculosis testing programs. That is one of the reasons why this extra $400,000 is required this year. We started last summer with a very greatly expedited program of brucellosis testing particularly.

The other reason that more money is required is that hon. members will recall that at the last session of parliament we increased the rate of compensation for cattle slaughtered under those two programs from $40 to $70 for grade animals and from $100 to $140 for pure bred animals. Those two things combined have caused the need for this $400,000 more than was provided in the main estimates.

In regard to the matter of rabies, which was brought up, the proposition the hon. member for Grey-Bruce has put forward that the municipal authorities, the provincial authorities and the federal government should compensate the owners of animals which have died as a result of rabies seems reasonable. It is one which, if the municipalities and the provinces wish to put it up, I will be prepared to look at very seriously. Up to date I have had no representations along that line from either municipal or provincial authorities.

However, as the hon. member indicated, under the Animal Contagious Diseases Act there just is no provision for payment of compensation for animals which die from rabies or from any other such diseases. The whole purpose of the Animal Contagious Diseases Act is to eradicate or control contagious diseases which are passed from cattle and other animals, from one to the other. Rabies do not fall in that class. This disease is spread chiefly by foxes, part of the wild life of the country. The chief danger from rabies and the chief means of control which we have exercised is to prevent rabies from becoming common in the dog population. If a considerable number of dogs contracted rabies, then we would have a very rapid spread of the disease by dogs biting one another and biting human beings.

We have not had one single case of transmission of rabies from dog to dog. That has been prevented by control measures exercised by the municipalities, and by the inoculation or vaccination clinics which we have carried on in every county in Ontario in which rabies have become a threat. We are continuing to carry on those clinics. We think the disease is dying down, and we hope it will die down very rapidly during the coming few months.

As far as the general subject of compensation is concerned, on which I may say I have received a large number of letters, I regret to say there is no power under the act as it stands to pay compensation for animals which die from rabies.

(Translation):

Mr. Boulanger: Mr. Chairman, could the minister tell us what proportion of the $400,000 is to go in compensation for slaughtered animals, and what per cent to bovine tuberculosis control?

(Text):

Mr. Harkness: I am sorry; the translation system was not working satisfactorily; thus I do not know what question the hon. member asked. I wonder whether he would mind repeating it?

Mr. Boulanger: What proportion of the $400,000 is to go for compensation for slaughtered animals, and what proportion is to go for the control of diseases?

Mr. Harkness: I have not any breakdown of that, but I think at least a good part of this is for the increased compensation which we have been required to pay because of the increase in the amount per animal, and because of the very greatly increased tempo of testing.

(Translation):

Mr. Denis: May I direct a question to the Minister of Agriculture? Is he aware that an infectious disease of poultry is now prevalent in the province of Quebec, and could he tell us whether this government intends to do something about it, or wait until the provincial government asks for it?

If I remember rightly, the hon. minister said a moment ago that, at the present time, control of those contagious diseases of poultry is not a central government responsibility. Now as this disease seems to be contagious, and in view of the policy adopted by the

federal government a few years ago in the case of foot-and-mouth disease, if I remember well—

(Text):

I refer to foot and mouth disease in the west. Some government money was spent in this regard. Will the minister tell us about this disease in Quebec and the other one as well?

Mr. Harkness: Mr. Chairman, I am not particularly familiar with this matter. However, I do remember that a report came in not so long ago which I saw which indicated there had been an outbreak of psittacosis, I think it is called, in certain poultry flocks in Quebec, and the health of animals branch was taking measures to deal with it.

Mr. Peters: Can the minister indicate how much of the $400,000 in the supplementary estimates comes about by reason of the increase in the amounts payable as compensation last year?

Mr. Harkness: I am not quite clear as to the purport of the question. Does the hon. member refer to the increased amount paid over the amount paid last year?

Mr. Peters: Yes. How much of the $400,000 is required because of the raising of the amount from $40 to $70?

Mr. Harkness: I am sorry, I have not that breakdown here. I can readily get it and supply it to the hon. member at a later date if he is interested, but I have not it with me today.

Mr. Denis: Will the minister tell us tomorrow or next week what amount of money has been spent by the government in the last few years on account of foot-and-mouth disease?

Mr. Harkness: To my knowledge nothing has been spent on foot-and-mouth disease in the last few years. The last outbreak of foot-and-mouth disease was in 1952, and once that was cleaned up fortunately we did not have any further foot-and-mouth disease. Therefore nothing has been spent. Of course I might point out that has nothing to do with this particular item in any event.

There is one other thing I might say in connection with the rabies question, which has caused a great deal of concern. I think that numbers of animals alleged to have died from rabies have been very much exaggerated. I have a table here showing the number of animals that died from rabies during the period April 1 to December 31, 1958. The table covers all Canada and not just one province, and is as follows:

Dogs	57
Cats	84
Cattle	720
Horses	23
Sheep	77
Goats	1
Swine	15
Donkeys	1
Foxes	947
Raccoons	7
Skunks	86
Bats	2
Gophers	1
Bears	1
Groundhogs	1
Wolves	1

These are the total numbers of animals where it has been definitely established that death was due to rabies through the heads being sent to the laboratory in Hull for examination. I have put these figures on the record because I constantly receive letters which would lead one to believe that hundreds of cattle, particularly, and, also horses have died in one county. This is just not the case. The total number of cattle in Canada that died in that period was 720. While it is a considerable number and is very regrettable, the situation is not nearly as serious as many people believe.

Mr. Gour: I should like to congratulate the minister on putting this item of $400,000 in these estimates, but it is just a drop of water in the bucket compared with the expense the government is going to have to face this year. I would be pleased if the minister would secure more veterinarians in order to deal with brucellosis. In my riding of Russell the department does not have nearly enough doctors. Please use this money to get more doctors. We need this protection in order to be able to sell our cattle to the United States. If we do not have the United States market the farmers will suffer greatly, because only when they can ship their cattle to the United States can they manage to make a living.

I am not in favour of the motion of one hon. member that the municipality should pay one-third of the cost of the animal dying from rabies. Let us pass a law; we are here for that purpose. Let us pass a law that the government should pay so much for these cattle. Never mind about cats and dogs; take care of the cattle. I congratulate the minister on raising the payments from $40 to $70 and $100 to $140 for cattle destroyed under the tuberculosis and brucellosis programs. He should have raised the amounts more, because when the farmer is forced to sell his cattle he has to do so in order that the meat and milk the people in the cities consume will be free from tuberculosis. The farmer is forced to sell his cattle when they

are condemned by the doctor. He is given practically nothing for his cattle. Any cow is worth $200. He is paid $70, and he sells the carcass for $50. Therefore he has lost $80 for the benefit of the Canadian people.

I think the payment for a milk cow should be $100 instead of $70; otherwise the farmer will take a big loss. He will not be able to ship to the United States if the department does not get as many veterinarians as possible and do the job right now. If the minister will do this it will be a very good thing not only for the farmers of my riding but for the farmers of all Canada who want to ship their cattle to the United States in order to get a good price.

Mr. Harkness: I think I should point out that the hon. member for Russell is under a misapprehension if he thinks that all a man gets for a cow that has to be slaughtered is $70. In addition he gets the value of the carcass, and in most cases the value of the carcass is not much less than if the animal had not had brucellosis or had just been slaughtered in the ordinary way. The result is that in many cases the farmer gets more for the animal than if he had sold it commercially. The hon. member has said that the payment should be much higher. He has said that the animal is worth $200 and therefore the farmer should get $200, but in effect this would mean that he would be paid twice for the animal. I think the present level of payment is very generous indeed.

Mr. Gour: I know what I am talking about and what the farmers in my riding have received. They have had to sell cattle for $30, $40 or $50, and I say they should be paid at least $100.

Mr. Howe: Mr. Chairman, the minister indicated the number of cattle and other animals that died last year, and I should like him to give us the figures for the two previous years.

Mr. Harkness: I have not the figures here for those years, but the numbers were considerably less. As a matter of fact, the year before last losses of cattle and so on were chiefly in the province of Quebec and to some extent in northern Ontario, and for two or three years before that the losses were almost entirely in western Canada.

Mr. Howe: I think I am correct in saying that the number of cattle that died throughout Canada in the previous year was 101. Last year there were over 700. That would indicate that there was a lot more rabies in the country this year than last year, and I think special consideration should be given to the situation. In my own riding 126 cattle have died in the last year, and 78 humans have been treated for rabies. I have one farmer who lost 9 cattle, and several who have lost 3. The minister may not think it is important to these farmers, but I certainly feel it is. It is quite a blow to the farmer who lost 9 cattle. It is something over which he has no control.

I notice that the province of Ontario has agreed to start a vaccination program for animals at present in barns so that when they go out they will be immune to attacks of wild animals, but that does not help the farmers who are having trouble right now. As a matter of fact, some cattle put in barns last October are dying of rabies in the barn.

In my opinion special consideration should be given to the situation. If compensation were paid the farmers would be more careful. The fact that there is a 60-day quarantine period makes the farmer feel that he cannot sell anything off his farm. He feels that he is going to have trouble selling; therefore when he sees an animal that he thinks might have rabies he sells it. Who is to say that the meat from the animal is not consumed by humans, or that the animal does not reach the stockyards where some of the handlers may get the disease?

I think the act could be changed in some way to make it possible to pay compensation. After all, a farmer whose sheep have been worried by dogs is paid for the sheep that die. That is not his responsibility, and here is a situation with regard to cattle that is no responsibility of the farmer. It does not arise through neglect on his part. Therefore I think the government should give special consideration to the situation and see if compensation cannot be arranged.

Mr. Harkness: I can only repeat that the purpose of the Animal Contagious Diseases Act is to prevent the spread of disease, and to pay compensation for cattle affected with rabies would not fall in that category. I have every sympathy with people who have lost cattle or other animals as the result of rabies. It is a very severe blow. As the hon. member has just stated, every year throughout Canada there are thousands of cattle which die, and there is no more reason to pay compensation for an animal that dies from rabies than for an animal that dies from any other cause. Unless we want to adopt a different policy so far as the health of animals is concerned and pay compensation for every animal that dies, no matter what the cause may be, I do not see any good reason for completely changing the basis of the act in order to start paying compensation for rabies.

I feel that the proposition put forward by the hon. member for Grey-Bruce might be a reasonable way to handle this rabies problem.

If some proposition along that line were put forward to the Department of Agriculture, as I said before, we will certainly be glad to consider it seriously. As I say, the basis for the payment of compensation under the Animal Contagious Diseases Act is so that people will be encouraged to come forward if they have a sick animal, it may be foot-and-mouth disease or some other contagious disease. We pay them if that animal is slaughtered, and in this way we prevent a spread of contagious diseases and people are encouraged to assist in wiping out these diseases. That is the whole basis of the Animal Contagious Diseases Act, and I do not think it would be reasonable to start paying compensation for any animal that dies from any cause.

Mr. Herridge: Has any consideration been given to the insurance of livestock under the proposed crop insurance scheme?

Mr. Harkness: No, Mr. Chairman; as indicated by the words "crop insurance" it is a matter of insuring crops, and not a matter of insuring livestock or tractors or other chattels.

Mr. Herridge: In a broad sense, livestock could be considered a crop.

(Translation):

Mr. Leduc: Mr. Chairman, could the hon. minister tell us whether last year, in the provincial constituency of Papineau, farmers were compensated for the loss of their animals, because many herds died as a result of the veterinarian's error, who had injected serum that was a bit too strong? Were those farmers compensated for the loss of those animals?

(Text):

Mr. Harkness: No, Mr. Chairman.

(Translation):

Mr. Boulanger: Mr. Chairman, at the present time an epidemic is causing great losses to poultry farmers of the province of Quebec. The disease is known as Newcastle disease. In the last three or four months, some farmers lost entire flocks and I understand that many incubating plants in the province of Quebec had to shut down for several months.

I should like to ask the Minister of Agriculture whether Quebec provincial authorities have made representations to him about this, and whether he has sent veterinarians to investigate. Unless drastic measures are taken to stop the progress of that disease, the Quebec poultry farmers will lose many of their fowl because the disease is spreading from north to south and from east to west.

Of course, the member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) cannot ask that question, because whenever he rises in this house, it is to pay homage to the government of the province of Quebec.

I therefore ask the minister whether he has received inquiries from the government of the province of Quebec, and whether he has investigated.

(Text):

Mr. Harkness: Whenever an outbreak of disease occurs in animals or poultry, Mr. Chairman, we are informed of it through our district officers almost immediately. Under those circumstances we take whatever preventive action it is possible to take in order to prevent the outbreak from spreading. I have just received the information so far as Newcastle disease is concerned. The province of Quebec orders the slaughter and pays compensation itself. It is a provincial and not a federal operation so far as Newcastle disease is concerned in Quebec.

(Translation):

Mr. Boulanger: Have the Quebec farmers, agricultural organizations, or co-operatives asked the minister whether the federal government would help the farmers who have had these difficulties, regardless of the Quebec provincial government, since the minister has just indicated that the Quebec government has made no request to this effect?

(Text):

Mr. Harkness: Well, I do not know what the hon. member means by asking if I have had any requests from co-operatives in Quebec. I do not know if he means requests in connection with Newcastle disease or something else. In any event, as I indicated before we are always ready, through our health of animals branch, to take whatever steps are possible in order to prevent the spread of these animal or poultry diseases. I do not recall any particular requests from co-operatives or others in the province of Quebec in connection with either of these two poultry diseases, psittacosis or Newcastle disease, except an indication that there were outbreaks and certain steps were being taken in connection with them.

Mr. Peters: I should like to express my agreement with the hon. member for Wellington-Huron as well as the hon. member for Grey-Bruce. There is a great deal of concern amongst the agricultural people of Ontario over the fact that they are not being compensated properly for animals they lose.

I should like to refer to one disease, brucellosis. As the minister explained a moment ago, if compensation were paid for beef cattle it is quite true that the meat

would be worth nearly as much after the compensation was paid as it was before. However, brucellosis is not a disease that affects beef cattle to the same extent that it affects dairy cattle. In so far as dairy cattle are concerned, at the last Holstein sale in Ontario the average price for a cow was $375. A dairy cow selling for meat will bring less than $200. I feel, therefore, the farmer is not getting what he considers to be fair compensation for his animals.

In the matter of rabies, I think the federal government has some responsibility. While it is true that one cow does not pass on this disease to another, the disease is continually being spread. It may be necessary for the government to implement a program of eradication of rabies in the province. I feel that the provincial government of Ontario should be congratulated on the vaccine they are making available for the control of the disease. A great deal more effort must be put into it to see that the wild life of the country do not carry this disease, because it seems odd that it spreads into Quebec one year, the next year into Ontario and another year it is in the west. I think there is some justification for the farmer saying that it is not his responsibility because his cow dies from this disease. It is a contagious disease and the cow did not develop it; she caught it from some other source.

The minister also pointed out how many cattle died. I think it is not fair to use the figures he used. I am quite sure he will agree with me that if you had seven or eight cows die, you would only send in one head. If the veterinary treated some across the way he would say, "I just treated the neighbour's cattle, and we sent in one head and this cow died of rabies. Therefore your seven or eight cows that are dying also probably have the disease".

I think this disease has much more importance than we sometimes attach to it. I am sure that more money can be spent on this matter in order to see whether an eradication program can be implemented in order to rid Canada of this terrible problem of rabies. On the other hand I should like to say this in connection with the Animal Contagious Diseases Act. While the farmer is appreciative of any increase that has been made—and we are appreciative of the one that was made last year—there still has not been taken into consideration, particularly in the case of brucellosis, the matter of pure bred cattle and extremely expensive dairy cattle. The amount that is allowed will in no way replace the animal that has to be destroyed.

Mr. Robinson: Along with the hon. member for Grey-Bruce and also the hon. member for Wellington-Huron, being up in a district that has been in about the centre of the rabies outbreak for the last eight months, I should like to make a few remarks. I am in agreement with the remarks made by the hon. member for Grey-Bruce in connection with some compensation being paid. I should also like to say that the members of our county council passed a resolution to the effect that one-third of the loss should be paid by the dominion, one-third by the province and one-third by the county. What will become of that resolution I do not know.

I understand that rabies does not come under the Animal Contagious Diseases Act. I was just wondering whether there was not something under which, in years gone by, compensation was paid on sheep in cases which did not come under the Animal Contagious Diseases Act. I may be wrong on the matter, and if I am wrong the minister will put me right. However, I remember something being paid out in the west at the time, if I recollect aright, but it did not come under the Animal Contagious Diseases Act.

It is a big job at the present time to make any swing over from the act as it is at present in order to include this matter. I should like to say that I am of the same view as the hon. member who spoke last. I believe that any preventive measures that can be carried through should be adopted. This problem is extremely serious in our district. I have had several resolutions from people there asking for compensation. There is now on foot a large movement in favour of the inoculation of cattle that are in the stable. I understand that the inoculation must be done for so many months before it takes effect. The serum for that inoculation I understand is provided by the province. I think it would be only fair to the farmers of Canada if this parliament would look into this matter thoroughly with a view to paying compensation for those losses.

Mr. Harkness: As far as sheep are concerned, Mr. Speaker, the outbreak in the west to which the hon. member refers a few years ago was an outbreak of scrapie, which is covered under the Animal Contagious Diseases Act. I see the hon. member for Assiniboia smiling over this matter. I did not think he and his party would be able yet to smile about it.

Mr. Argue: Why not?

Mr. Harkness: They made certain allegations in connection with it, and those allegations were not sustained at all when the matter was investigated by the agriculture committee.

Mr. Argue: It was with regard to the comparatively low compensation for pure-bred cattle, as compared to the sheep involved, and that is a vastly different thing.

Mr. Harkness: As to the hon. member for Timiskaming, he said we should do something about wild life through which rabies spread. I should like to point out to him that the dominion government has no control over wild life except in the Northwest Territories, and has no responsibility for and no power to do anything in connection with wild life except in those areas. The wild life is one of the natural resources which are under the control of the provinces.

At one time we had in mind putting on a poisoning campaign or making a contribution to a poisoning campaign in connection with foxes; but the Ontario wild life authorities, taking into consideration the number of dogs that would probably have been poisoned, the danger to children and to other wild life of all kinds, felt that it was too dangerous a way to try to cope with the matter, and I think probably they were right. In any event the eradication of foxes, which are the chief means by which rabies is spread, is in the hands of the provinces and not in the hands of the dominion.

I might also make reference to one remark made by the hon. member in which I think again he shows his lack of familiarity, as he has done several times today, with agricultural matters. He said that brucellosis is not of particular concern to beef producers but that it is chiefly of concern to dairy producers. That statement of course is completely incorrect. Most of our exports of cattle to the United States, as a matter of fact, are beef cattle; and it is particularly in order to protect our exports of beef cattle to the United States that we have been obliged to step up, as we have, our brucellosis eradication campaign.

Mr. Horner (Jasper-Edson): I do not want to hold up the committee, Mr. Chairman, but I want to make a few comments on this matter. First of all I should like to express agreement with the hon. member for Grey-Bruce that perhaps we could have a program of co-operation with the various provinces right across the country. As the hon. member has said, this act will not cover the rabies losses, and quite rightly so. This is an act to prevent the spread of disease. One of the hon. members in the opposition made some remark about foot-and-mouth disease. Just in order to give an idea of the importance of Canada's health of animals division in the government, may I say that the loss to Canadian cattlemen through foot-and-mouth disease in Canada was something in the nature of $600 million. Fortunately this government has taken the lead in a campaign to wipe out brucellosis, which could mean as much in savings to the cattlemen in Canada as was lost through the foot-and-mouth disease a number of years ago.

I should also like to take this opportunity to congratulate the members of the minister's department in the health of animals branch for the active and excellent work they are doing. I have only one suggestion that I should like to put forward. The fact is that we in Canada require more men who are trained in veterinary medicine. I would suggest that if at all possible the federal government give some consideration to a grant to a veterinary college in western Canada.

The Chairman: Order. I must remind hon. members that while an hon. member is on his feet speaking, they must try to keep their voices to as low a pitch as possible. There is far too much talking going on in the house during the speeches. I must also remind hon. members that although they may go to sit with and to talk to someone, they may not go to a desk, remain standing and carry on a conversation while debates are in progress. I must also remind hon. members that although they may use the lobbies on each side of the house for smoking and chatting purposes, they must keep their voices as low as possible and should use the smoking rooms, preferably, if they must carry on a conversation. It would be highly appreciated by the Chair if these regulations would be followed.

(Translation):

Mr. Boulanger: Mr. Chairman, unlike the hon. member who has just resumed his seat, I see no reason to congratulate the government, because the T.B. control policy was inaugurated by the Liberal government. However, I must congratulate the Minister of Agriculture who, during last session, increased the compensation for slaughtered livestock.

My province is losing a substantial U.S. market for pure-bred livestock because in certain districts, no effort is made to ensure that our herds are certified. I know the department made tests in some constituencies, and that in certain areas farmers have been allowed to export their pure-bred stock to the United States. However, I would ask the hon. Minister of Agriculture to step up this activity in the eastern townships, where our pure-bred stock cannot be exported across the border because we are unable to obtain permission from the inspector of the health of animals division.

May I suggest to the minister that he ask the house for adequate funds to conduct tests in those constituencies, and particularly in constituencies where pure-bred animals are raised, because as I was saying earlier, we are losing a substantial share of the American market. Our farmers are unable to export their stock because of a lack or supervision on the part of Department of Agriculture officials.

(Text):

Mr. Harkness: Mr. Chairman, this is absolutely incorrect. There has been no serious loss of exports from the province of Quebec or anywhere else in Canada as a result of failure to pass animals for export because of tuberculosis and brucellosis. Animals can be exported on the basis of individual tests and this has been going forward as far as counties which have not been declared free of brucellosis are concerned.

We are employing, I think, practically all the veterinarians who are free for this work in Canada at the present time to deal with this problem of tuberculosis and brucellosis, and the work has been going forward much more rapidly in the past eight months than ever before. We hope to have all the counties in Canada tested and declared brucellosis-free as quickly as possible, but in the meantime as far as exports of a particular man's cattle are concerned, these animals can be individually tested and exported on that basis.

Mr. Boulanger: How many counties are free from tuberculosis and brucellosis at the present time?

Mr. Harkness: The actual number free from brucellosis in Quebec at the present time—I am not certain; I am speaking from memory—is two. Testing is going on in quite a number of others.

The Chairman: I must remind hon. members that resolution No. 696 reads as follows:

Health of animals—compensation for animals slaughtered—further amount required, $400,000.

I have been listening with great interest to the many comments made by hon. members concerning this matter and I must say that hon. members have been straying away from the resolution and covering a great many fields. I must remind hon. members that they must confine their remarks strictly to the item under discussion, otherwise they will be called to order.

Mr. Peters: While this sum has not been broken down into detail, I assume it does cover moneys paid under the terms of the contagious diseases act. I am not familiar with the minister's agricultural background, nor is he with mine, but I know he would agree with me that the amount of money now paid to beef producers is supplementary to the beef price. I agreed that this had a relationship and was therefore not too important as far as beef producers are concerned. But I think the hon. minister, to be fair, would have to agree that this does not apply in the case of dairy cattle. When such diseases as brucellosis affect dairy cattle, it becomes a very serious matter. I am not very familiar with the diseases of cattle, but I do know that brucellosis—or Bang's disease as it is commonly known—is another term for contagious abortion. When this disease strikes, cattle are unable to produce calves, and in consequence are unable to produce milk; the farmer has to dispose of them, and the compensation paid does not meet his loss to anything like the same extent as compensation paid with respect to beef cattle which can be slaughtered and sold. For this reason I think the people who are producing dairy cattle are not receiving sufficient compensation.

Item agreed to.

Terminable services.—

697. Freight assistance on western feed grains—Further amount required, $2,500,000.

Mr. Argue: I wonder if the minister in charge of this item—I think it is the Minister of Agriculture—could give us some explanation why this further amount is necessary? Is it because there were greater quantities of feed grain moved requiring assistance of this kind? What part of this amount, if any, has to do with increases in freight rates?

Mr. Harkness: There are two reasons for this increase. The first is that the volume of feed grain which was moved last year was considerably in excess of the quantities moved in the preceding two or three years. As a result, about $1,500,000 extra—I think it is somewhere in that neighbourhood—is required because of the increased volume of grain being shipped from western Canada to the east and to British Columbia under the freight rate assistance policy. I have the figures here. To the end of December, this year's volume was 2,029,000 tons compared with 1,815,000 tons in the previous year.

The second reason is to compensate for the increase in freight rates. When the 17 per cent increase in freight rates went into effect, had no action been taken it would have thrown out of balance the payment of assistance on feed grains. The payments were made on quite a complicated basis and I do not think we should take the time to go into it here, but the final result was

that a 100 pound bag of feed in British Columbia, in Ontario and in the maritime provinces was sold at approximately the same price. There might have been a difference of five or ten cents between one town and another, but the price of a 100 pound bag of feed was approximately the same everywhere.

When the increase in freight rates came into effect we made adjustments under which about half the increase was absorbed by the taxpayer, and it was absorbed in such a way as to keep the cost of 100 pounds of feed at relatively the same price in the three areas to which this feed grain is shipped.

Mr. Argue: I should like to make a few general remarks on this item and on the way in which the feed grain subsidy has been applied over the years. They will be quite brief. There have been sometimes arguments in this house about which area of Canada the freight subsidy helps most. I would imagine that if the economists went into this very carefully they would say that the greatest benefit went to the feeders in the remote parts of Canada. But without endeavouring to assess the proportionate benefits that accrue as between the feeders and the producers I wish to state that this is one action taken by the government that has definitely been of benefit to the producers of feed grains and the livestock producers of this country. We are pleased to support this item as we have over the years supported items of freight assistance.

I must point out, however, that this particular policy is becoming a casualty of inflation. I say this for the following reason. I believe this was first implemented in 1941 and during the period from 1941 to 1948 the federal government generally paid the total cost of moving feed grains from Fort William to the basing points. The subsidy in those years was $6, the basic rate to the Montreal zone.

Mr. Martin (Essex East): From what year?

Mr. Argue: From 1941 to 1948, if the information I have is correct and I believe it is.

Mr. Martin (Essex East): It was established in 1941?

Mr. Argue: Yes. The subsidy paid the entire cost of moving freight under this formula which was arrived at by averaging the lake and rail rates with the all-rail rate so the flat average in general was adequate to meet the cost of moving feed grains.

In 1948 there was an increase in freight rates. With each subsequent increase in freight rates since that time the effect of the freight rate subsidy has gradually become less. Again my figures may be in error but I have been careful in my computation and I believe they are correct. My figures indicate that since 1948—since the time of the first increase in freight rates—there have been increases in freight rates on feed grains totalling 184 per cent. That is the measure of inflation as it has affected freight rates in reference to feed grains. Prior to 1948, as I have said, the subsidy was $6. This was reduced to $4.50 at a later date.

Mr. Martin (Essex East): I thought that after 1953 the average was around $8?

Mr. Argue: There are two types of subsidy. One is the subsidy from Fort William to the main basing point. The other is the subsidy from that area to some other area and the arbitraries which are the subsidies from the basing area to the final destination have been fully paid. I am now talking about the main basic rate from Fort William to Montreal.

In March, 1957 under the Liberal administration the reduced rate of $4.50 in the form of a subsidy payment was increased by 50 cents to $5 a hundredweight. Since that time the $5 payment has remained the same until this recent increase of $1 on this base formula because of a 10 cent per hundredweight increase in freight rates—$2 a ton—and the government by this vote is absorbing half of that cost. At the present time the current base rate from Fort William to the Montreal zone is 71 cents a hundredweight or $14.20 a ton. The subsidy that is paid is $6 and so the subsidy which once covered the total cost on this basis now covers just 42 per cent of the cost even though the $1 increase in the freight subsidy now being paid brings the subsidy to $6 which is the same as the payment from 1941 to 1948.

The item we are asked to pass today is one which I am sure will commend itself to all hon. members of the committee. We are pleased to support this item. No matter what argument may be advanced as to what group or area may derive the greatest benefit from it I believe it is a good policy and one that helps maintain the price of feed grains to producers in western Canada. At the same time, as the minister has pointed out, this serves to keep the final or retail price to feeders in the maritimes, Ontario, Quebec and British Columbia at the same level. However, because the entire problem of inflation has not been dealt with effectively the subsidy now amounts to only 42 per cent of the total cost involved despite the fact that the subsidy now is as high as it was during and after the war. This is working a hardship on the feed producers and grain producers of

western Canada because what was in earlier days the payment of the cost of transportation over this bridge has now been reduced to just 42 per cent of the cost.

I am glad that the minister has agreed to take up a part of the 17 per cent increase in freight rates and I express the hope that in keeping with the general announcement in the speech from the throne as to action that will be taken to reduce the effect of increased freight rates across this country the situation I have outlined will be kept in line.

Mr. Harkness: Mr. Chairman, this is a very complicated matter and I do not think we should attempt at the moment to go into it in detail. However, I should not like to leave the impression that may be created by one statement made by the hon. member for Assiniboia. I believe if he examines the question in more detail he will change his opinion. The hon. gentleman has said that the subsidy being paid represents only 42 per cent of the total cost and his figures may be accurate. However, in actual fact most of the feed grain goes to the province of Ontario and the western part of Quebec and most of it is carried by water. The subsidy of $5 a ton covers the entire cost of the freight from Fort William to quite a number of ports around the lakes. I mention that simply to correct the impression conveyed by the hon. gentleman's remark that the subsidy was now paying only 42 per cent of the amount of the freight that it was paying approximately ten years ago. The biggest bulk of the freight goes by water transport and the subsidy fully pays the cost.

Mr. Argue: I thank the minister for the contribution he has made.

Mr. Horner (Jasper-Edson): That is mighty white of you.

Mr. Argue: I do not know what the joke is about, Mr. Chairman. I do not know how it helps the people in the maritime provinces to have the assurance of the minister that the subsidy covers the cost of transportation of feed grain to parts of Ontario. I do not know how it becomes a joke that the people in British Columbia do not have the advantage of water transportation. I am not endeavouring to become involved in an argument with the minister and I accept the statement he has made.

Mr. Horner (Jasper-Edson): Mr. Chairman, would the hon. gentleman permit a question?

Mr. Argue: Mr. Chairman, if some of the minister's energetic supporters would get up and say something that the *Hansard* reporter could take down it might be more effective. As I said, I agree with the minister's statement. As far as the main basing point of Montreal is concerned, I believe the statistics are accurate and I accept the minister's statement.

Mr. Martin (Essex East): Mr. Chairman, the minister said the beneficiaries of the legislation introduced in 1941 are largely Ontario and Quebec. Is that a correct statement? Taking into consideration the population on a proportionate basis I should think the minister's statement would have to be modified. Surely this benefits the maritime provinces considerably.

Mr. Harkness: There is no question about that at all. It also benefits the province of British Columbia.

Mr. Martin (Essex East): Under another measure?

Mr. Harkness: Under the same measure exactly.

Mr. Martin (Essex East): I thought it was another.

Mr. Harkness: No. The point I was making was that the bulk of those subsidies is paid on account of grain which is fed in Ontario and Quebec, because it is in Ontario and Quebec that we find the bulk of livestock. Naturally you would expect that. I was also pointing out that as far as Ontario and Quebec are concerned, most of the grain is moved down by water and therefore the subsidy covers the great proportion of the total cost; in some cases it covers all of the cost. This is one of the things that made it difficult to make any adjustments in regard to this after the increase in freight rates, and still keep the cost of a hundred pound bag of feed relatively the same throughout the different areas. Also, in connection with what the hon. member for Assiniboia said, that the help amounted to only 42 per cent, this is not correct because in Ontario—

Mr. Argue: On the basic rate, I said; the arbitraries are paid entirely.

Mr. Harkness: In the province of New Brunswick, for example, the freight from the lakehead is $22.40, and the assistance which is provided under this act is $15.70, so that the percentage which is paid by the taxpayer really under this act is 70 per cent rather than 42 per cent.

Mr. Argue: Nobody is quarrelling with that; nobody is saying anything but that. The minister did not give the best example that he might have. I understand the best example is Sydney, Nova Scotia—

Mr. Harkness: No, Newfoundland is the best example.

Mr. Argue: Well,—

Mr. Harkness: More assistance is paid on grain going to Newfoundland than to any place else.

Mr. Argue: The minister had better inform somebody in his department that Newfoundland is in confederation. I got my information from the same source as he did. My information is that the total cost to Sydney, Nova Scotia, is $24.40, and the subsidy amounts to $17.07. But initially it is made up of the base rate to Montreal, plus, as I said to the member for Essex East, the arbitraries, that is the amount from the base point to the actual point of destination which is fully paid.

Item agreed to.

698. To provide for payments to western grain producers of $1.00 per acre up to a maximum of 200 acres per farm in accordance with regulations of the governor in council—further amount required, $1,300,000.

Mr. Benidickson: Mr. Chairman, hon. members are not used to my speaking at any length on an agricultural item. I do so, of course, at this time with some humility and trepidation but with no apology. It is known that my constituency, in so far as members of the Liberal party are concerned, is the one nearest to the grain-growing people of the western provinces.

Mr. Argue: And you are in Ontario.

Mr. Benidickson: I am, of course, prairie-born and prairie-raised and the constituents of Kenora-Rainy River have a great dependence upon the prosperity of western agriculture because I think there are more railway divisional points in my riding than perhaps in the riding of any member in the House of Commons. A large and successful movement of grain through our constituency is of the utmost importance to us.

This is an item that is strictly of benefit to the people of western Canada. I have another reason to be interested in a matter of this kind involving a contribution based on national necessity to a national industry of importance because, as hon. members well know, in the constituency of Kenora-Rainy River we have a substantial production of gold. For a long time, on this basis, where there is an exceptional national industry in temporary need of help we have had a formula for assistance to gold mines and I can assure the house that it has been extremely successful. In so far as our mines are concerned, when the policy was introduced their production was just about one-third of what it is at the present time. In addition to that, I think every mine in the Red Lake district was at one time in receipt of the emergency gold mining assistance which was provided some years ago. I am very happy to say that now, after the passage of time only one, the smallest producer of gold in Kenora-Rainy River, is today requiring any assistance.

Mr. Harkness: On a point of order, this is an item covering the payment of $1 an acre up to a maximum of $200 to western grain producers. The hon. member is speaking entirely on gold subsidies.

Mr. Benidickson: I have completed the reference by an analogy.

Mr. Harkness: I can understand that he would be speaking on gold subsidies but I do not think he should do it on this particular item.

Mr. Benidickson: I was simply establishing the analogy of the payments to a national industry for the purpose of assisting it through a period of national emergency. I am through with that reference and I want to hasten to say that we are concerned with this particular item because the question of Canadian agriculture, and western agriculture in particular, was very much before us in the recent election campaigns. The Prime Minister very properly, as a long-time member of the house, made it quite clear that he had no lack of understanding of western grain requirements and problems and he painted a very glowing picture of the kind of measures that would be expected from an administration that he would head. We all admit that the Prime Minister is a great artist in colours and he can accompany that painting with proper thespian touches. They were very convincing indeed, if the vote in western Canada is to be remembered, as most of us remember it. But, if rising costs are the yardstick of inflation, I think it certainly can be said that the farmers are one group who have carried on a very obstinate and a very difficult fight against inflation.

I think the people of western Canada—and I visited there rather extensively in the recess between the sessions—are wondering just how long we have to wait for the long range program which has been talked about in so far as improving the condition of western grain producers is concerned. If we heard anything as an indication of the likely policy of the new government with respect to agriculture and western grain producers, we always heard the ringing phrase from the Prime Minister that an administration under him would provide to

farmers a fair share of the national income. These are the words he repeated so often.

It has been drawn to my attention that the assistance under this particular provision, temporary though it was announced it would be, probably amounts to one-sixth of one per cent of the national income. I suggest, Mr. Chairman, there was every reason for the agricultural community to leap to the conclusion that a Conservative administration would divert a great deal more of the national wealth to their purposes than seems to be provided under this particular measure. Quite irrespective of any legal niceties such as we heard in the debate last session when this item was under consideration on August 30 and on September 6, and irrespective of any legal niceties we may get from the Prime Minister or from the Minister of Agriculture in defining deficiency payments, parity and the like now, there is no doubt in my mind—and I think most members from western Canada will agree—that most of the voters in western Canada certainly had in their minds glowing deficiency payments and parity about which they heard so much from the Prime Minister, not only during his entire career in parliament but in particular during the election campaigns of 1957 and 1958.

Mr. Harkness: Mr. Chairman, once more on a point of order, none of this has anything to do with this $1 an acre acreage payment. I would ask the hon. member to stay within the rules of the house and stay with this topic which we are discussing rather than going into gold mining assistance and general statements.

The Deputy Chairman: Order. I have been listening very carefully to the hon. member and I should like to refer him to May, 16th edition, page 738. Under the heading "On Supplementary and Excess Grants" there is the following:

> Debate on supplementary and excess grants is restricted to the particulars contained in the estimates on which those grants are sought, and to the application of the items which compose those grants; and the debate cannot touch the policy or the expenditure sanctioned, on other heads, by the estimate on which the original grant was obtained, except so far as such policy or expenditure is brought before the committee by the items contained in the supplementary or excess estimates.

I am sure that the hon. member realizes what that means.

Mr. Benidickson: I have every desire to keep within the rules and am familiar with that rule. I suggest that the chair will find that I am adhering to that rule. You will recall that this was a completely new policy even if it was announced that it was to be short lived. You will also remember that the debate with respect to it took place on the last day of the last session. You will recall that there was considerable discussion about such matters as its equation with parity, deficiency payments and matters of that kind that are still under very active discussion by the people of western Canada. My point is that we have constantly had difficulties relating the policy of this new administration represented by this $1 per acre grant to parity based on a fair price-cost relationship. My suggestion is that this proposal and extension of it by this additional vote is not arriving at that avowed purpose.

As we have just come back from a recess I am sure that the committee would want to discuss the reaction encountered by members visiting in western Canada since this policy was debated on the last day of the last session. It was announced, I believe on August 30. In my experience I have found, as so often happens in the case of something that is admittedly a stopgap and a rather desperate expedient by way of delay before a final policy is decided upon, it receives probably less appreciation and less thanks than criticism. That has certainly been my experience in western Canada with regard to the comments that have been made to me about this legislation. The best that has been said about it is that it is merely a sign of recognition that some help is needed. That is the best I have heard about it. When the Canadian Federation of Agriculture made its submission to the federal-provincial agricultural conference last November it had this to say:

> There is general recognition of the importance of wheat in the national economy. While special payments are being made to grain producers by the government of Canada these payments do not bear any relationship to a long range price support policy for wheat.

I imagine that the Prime Minister and the Minister of Agriculture would probably admit that is so. But the question is how soon are we likely to have unfolded, so far as monetary compensation is concerned, the proposals of the government with respect to its long range policy? When the Prime Minister was referring to the long range policy on August 30 last he gave an indication that it involved several categories. The speech from the throne simply refers to the possibility this session of having a new measure with respect to crop insurance and it refers also to some reorganization of credit facilities for agriculture. But there is nothing there to indicate that we are likely to get a measure on a long term basis in substitution for this admittedly temporary measure.

The Deputy Chairman: Order. Standing order 59 (2) reads as follows:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

I am sure that the hon. and experienced member for Kenora-Rainy River will once more understand what that means.

Mr. Benidickson: I go on with a point which apparently met with your approval. I refer to some of the comments that have been made with respect to the value of this particular type of legislation which we are asked to increase and continue. The Saskatchewan wheat pool made this comment, as found in the Regina *Leader-Post* of September 3, 1958:

> It charged Prime Minister Diefenbaker with failing to realize the seriousness of the situation by implementing a relief measure for one year only when he has admitted in the past that only a long range program can succeed.

I think that most members from western Canada would admit that one of the most important things for western agriculture and the products grown there in abundance which depend on markets beyond our shores is an active and buoyant trade policy. I also think that many people in western Canada, as a result of certain actions taken by the government last session, are very apprehensive about the result of trade policies such as expressed in the increase in the tariff on wool and the difficulties and complaints we are having from the United States.

Mr. Fleming (Eglinton): On a point of order, Mr. Chairman, my hon. friend may not intend it but in effect what he is doing is simply defying the ruling of the chair. It was bad enough to go into a discussion of gold subsidies on this item but now the hon. member is even farther afield, this after having his attention drawn to the rule several times by you, Mr. Chairman. This is neither a continuation of the debate on the address in reply to the speech from the throne nor is it consideration by the committee of the administration item of the estimates of the Department of Agriculture. What is before the committee at this moment is item 698 which relates purely and simply to an additional sum of $1,300,000 required to carry out a program approved by parliament last September, and surely this does not warrant any hon. member going outside a discussion of the provision of these payments with a view to assisting western grain producers. What my hon. friend has been saying is a far cry indeed from the subject of aid to western grain producers.

The Deputy Chairman: The Chair feels that it has been lenient with the hon. member for Kenora-Rainy River. I am sure he will try to abide by the thoughts of the Chair and stick to item 698.

Mr. Benidickson: I have not discussed one matter in my remarks today that was not under debate on the supplementary item on September 6 of which this is merely an extension or when the item was explained by the Prime Minister on August 30. This is an item that is based on need and the point I am endeavouring to make is that it is not satisfactory. It was admitted to be a stopgap, a temporary measure, and I think we should hear from the administration whether or not during this session we are going to get another proposal in substitution for this at the expiry of its first year that will be more in keeping with the expectations of the farmers as a result of the former policies of the Prime Minister and as a result of the need in western Canada particularly because of rising costs and inflation that is still unchecked.

Mr. Argue: Mr. Chairman, I should like to make a few remarks on this item at this time. I have listened with a great deal of interest to the speech of the hon. member for Kenora-Rainy River. While I am not going to try to cover the ground he covered because I do not want to get the same reception from the Chair, I do wish to say that as far as western Canada is concerned this item, as a general solution to the problem faced by the farmers of that area, is in their opinion entirely inadequate. The dollar per acre, which we are discussing at this time as a supplementary payment, means very little today in relation to the budget of the agriculture producer and the costs that he must assume.

The reaction to this policy, in general, has been one of disappointment; it has been one of great concern because the producers have felt that this policy of one dollar per acre for one year is completely inadequate and does not constitute the fulfilment of the government's agricultural program as they have understood it. A dollar per acre related to the average yield is a very small sum of money. If it is related to the crop yield only on an acre it would be about five cents per bushel. One would have to relate it, of course, to the fact that it is paid on all acres and it could be, therefore, between 10 cents and 15 cents a bushel.

An hon. Member: How about relating it to domestic consumption in Canada?

Mr. Argue: When the farmer hauls his grain to the elevator he does not divide his load between domestic consumption and export. He is interested in the price he gets, although he would be interested if, in paying for this grain, the government would adopt a policy of dividing the payment and by that means providing the farmer with a larger payment.

Another reason the farmers feel that this is most unsatisfactory is that it is a temporary measure. It is a one-year measure; it is a one-shot affair. I think, perhaps, I heard those words this afternoon, and I think I used them myself many months ago. This is a policy that has brought great disappointment to the producers of western Canada. This is the reason the western farmers are coming to Ottawa in a mass delegation within a few weeks. I noticed the applause from the government benches, and that is the best response that this mass delegation has yet received from those benches. When this delegation was first mentioned in this house, I was accused of having organized it.

An hon. Member: You tried it.

Mr. Argue: The Prime Minister said to me, "You hoped to bring a lot of western farmers who would march on Ottawa, but you came alone." I came all alone, so far as the opposition is concerned, as has been pointed out very effectively this afternoon. We have had contributions ranging from gold to international trade made by the hon. member for Kenora-Rainy River, while dealing with the policy of parity prices and deficiency payments—I apparently came all alone.

There are a great many farmers coming to Ottawa and a general representation of the people of Saskatchewan by occupational groups, according to press reports that we all read, within a matter of some weeks. I congratulate the hon. member for Kenora-Rainy River for the versatility he has shown in this house, and for repairing what was a very serious omission, I believe, in a speech made by the Leader of the Opposition. It was a very interesting and very enjoyable speech, a speech that I thought was more effective than similar speeches on other occasions. The omission to which I refer is the lack of any substantial reference to the problem now under discussion.

Mr. Martin (Essex East): Do not forget his speech of September 6.

Mr. Argue: But the Leader of the Opposition did not say where the Liberal party stood. Of course, that was in keeping with the general attitude of the official opposition. We ask the government its policy; we tear down the government, but divulge our policy—never. As I was saying, the hon. member for Kenora-Rainy River is the only member, and he can correct me if I am wrong, who runs on a Liberal-Labour ticket. Now, of course, he is going to take on a third dimension because he is taking in agriculture.

Mr. Benidickson: We have some good farmers in northern Ontario.

Mr. Argue: He is the financial critic of the opposition, so we are most interested in the statement he has made.

The reason the producers are dissatisfied with the dollar per acre under consideration is that, with this and everything else the government is doing, the agricultural producers are painfully aware that the prices they receive today in terms of purchasing power are lower than at any time in the history of this country with the exception of three years in the thirties when we had the R. B. Bennett government. We are hopeful that the government may yet change its attitude; that they will consider the matter of deficiency payments for western grain, and adopt a policy which the Minister of Agriculture has incorporated in the Agricultural Prices Support Act, a technique that has not yet been used in the sale of grain under the Department of Trade and Commerce.

I do not feel that the deficiency payment technique that has been used so far is adequate. There is one detail concerning the application of this measure about which I should like to ask the minister. Payments are made in general, I think perhaps exclusively, on the basis of the acreage listed in the permit book held by the wheat board. I have found, and I was surprised at this, a great many farmers who are unable to qualify for assistance under this measure because they do not have a permit book. They are farmers who produce grain but who feed their grain to livestock. I do not know how many would be involved, but I would think several thousands in western Canada would be involved.

An hon. Member: Wrong again.

Mr. Argue: I would think this would be particularly true in the province of Manitoba, and it is certainly true in areas that are being developed where the farms are small, quarter section or bush farms, so-called—

Mr. Horner (Acadia): Would the hon. member permit a question?

Mr. Argue: Yes.

Mr. Horner (Acadia): Is he aware that was rectified? It was a regulation of the Canadian wheat board and the commissioners of the wheat board knew nothing about it. Most of these farmers are now receiving permit books.

Mr. Argue: I am pleased to have contributions from all sides of the house. If the minister confirms that fact, I shall be pleased because I think it is a serious omission. I think these people are bona fide farmers and are entitled to this dollar payment.

I would be most happy if it applied to all farmers on an equal basis, so that every person would be entitled to receive payments because he has a cultivated acreage. If that is being done, as I say, it is most welcome and it probably accounts for a substantial part of the supplementary estimate under consideration.

Mr. Martin (Essex East): As a point of order, Mr. Chairman, do I understand that you have ruled we are not, under this item, permitted to discuss the adequacy or inadequacy of this particular proposal, which inevitably involves us in a discussion of the government's support price program and whether or not the government's general assurances, at other times, have been fulfilled? Do I take it that is your position?

Before you reply, may I say with great respect that you would want to consider the situation which prevailed in this house when this item was discussed on September 6 last. I must point out to Your Honour that sitting in the chair which you now occupy at that time was the chairman of committees.

The item before the house was precisely in the wording which now confront us. On that occasion the Prime Minister spoke. If you will examine what he said when speaking to this very item as part of the principal estimate at that time, it will be found that the hon. member for Kenora-Rainy River certainly was in order if the Prime Minister on that occasion was in order. The Prime Minister on that occasion, in discussing this particular policy, referred to old age pensions, unemployment insurance and his own election promises. He dealt with the over-all policy of the government in the matter of agriculture. Since that day the house has not had an opportunity of taking up the discussion from where the Prime Minister and the hon. member for Assiniboia left off.

In effect, Mr. Chairman, what you have said to those of us in this group who are seeking to examine the government's agriculture policy as a whole, is this: "It is true that the Prime Minister had this opportunity; it is true that the hon. member for Assiniboia had it; but you in this particular group are to be denied it because parliament prorogued just at the end of that particular discussion." I suggest to you, Mr. Chairman, that this rule does not lend itself to the restrictive interpretation that you have given it. I suggest that on this item we should be allowed to examine whether or not this proposal meets the need of the farmers in western Canada and whether it is in fulfilment of assurances given by the administration to these farmers. That examination will involve a discussion as to whether or not there are available other solutions—some promised, some offered on the side—to meet with a situation which undoubtedly has provoked the anger of farmers all over western Canada.

Mr. Harkness: On the point of order, Mr. Chairman, may I say first of all that the last remark of the hon. member in speaking to the point of order was completely out of order and also was completely incorrect. The statement made by the hon. member for Essex East that everything concerning agriculture should be discussed on this item is, in my opinion, manifestly not correct. This is only one item amongst scores of items with regard to the agriculture estimates. To attempt to say that price supports are an integral part of this discussion is complete nonsense. Price supports have nothing to do with this payment at all and have absolutely no relevancy to it.

Mr. Martin (Essex East): We did not say that.

Mr. Harkness: The hon. member for Essex East did say that. He said that price supports were definitely connected with this matter and that it should be possible to discuss them in dealing with this item.

Mr. Martin (Essex East): As alternative policies; certainly.

Mr. Harkness: As far as the Prime Minister was concerned, I think the hon. member will find that the Prime Minister did not make his statement in connection with this matter.

Mr. Martin (Essex East): Yes; he did.

Mr. Harkness: Not on this item. If my memory serves me correctly, I think it will be found that the Prime Minister made his statement on motions.

Mr. Argue: If I might correct the minister may I say that he made it in both places.

Mr. Harkness: He made it first on motions. In any event the general statement in regard to the matter was made on motions and not on this particular item.

Mr. Pickersgill: He covered four pages of *Hansard*.

Mr. Harkness: This general contention of the hon. member for Essex East and, before him by practice, by the hon. member for Kenora-Rainy River, that under this item we should be able to discuss any matter concerning agriculture is, in my opinion, just not reasonable in view of the fact that, as I say, there are scores of items with regard to agriculture in the regular estimates; and it is manifestly unreasonable to try to discuss all these things in a supplementary estimate of this kind.

Mr. Pearson: On the point of order, Mr. Chairman, may I say this. If you will look at page 4738 of *Hansard* of September 6, 1958, you will find an item in exactly the same terms as the item that we have before us in the supplementary estimates at this time. On that page and the following two or three pages, Mr. Chairman, you will find a record of the statement made by the Minister of Agriculture and in which he discussed, among other things, price supports. Then a little bit later on you will find a record of a long statement made by the Prime Minister in which he discussed a great many things. Indeed, he went so far that, as reported at page 4753, the hon. member for Assiniboia referred to the Prime Minister's dragging in everything but the kitchen sink. That discussion on that occasion in respect of an item exactly similar to this one was allowed to range over the whole field of agriculture in so far as it affected the item. I assume that you, Mr. Chairman, would want to take now exactly the same stand as you took then.

Mr. Fleming (Eglinton): There is one observation I should like to make on the point of order, if I may. We are here dealing with a supplementary estimate.

Mr. Benidickson: We were doing so then.

Mr. Fleming (Eglinton): The position is quite different. There we were dealing with a new item introduced into the estimates. It is true that they were supplementary estimates but it was a new item. Here what you have before you is an item that calls for an additional sum for the same purpose. The question before the committee on this item, I therefore take it, is whether this additional sum should be voted for this particular purpose. With respect, Mr. Chairman, I suggest that is no occasion and no warrant for wide ranging debates over the whole field of agriculture or every agricultural problem or every kind of policy or panacea that might be put forward by any hon. member in order to meet the problems of agriculture. We are here dealing with the question whether, in relation to the problems facing western grain producers, there should be voted an additional sum of $1,300,000 to complete the program approved by parliament last September to provide these acreage payments to western grain producers. That is the matter that is before the house, Mr. Chairman. The rule is well established that, in these discussions, the speeches must be strictly relevant to the item under consideration.

Mr. Pickersgill: I should like to say a word on the point raised by the Minister of Finance. As I understood my hon. friend from Essex East, Mr. Chairman, all we were asking you to give us the latitude to do is to examine the arguments used by hon. gentlemen on the treasury benches when they introduced this item in the first place in order to see whether, in fact, this item was doing what hon. gentlemen on the treasury benches asserted it would do. We as representatives of the people are being asked to vote $1,300,000 more money for the purpose which was outlined by the Prime Minister, the Minister of Agriculture and, in an extremely irrelevant speech to which I took some exception, by the Minister of Trade and Commerce who ranged all over the world in his speech as he usually does. It seems to me that any argument advanced for this program by hon. gentlemen opposite on the treasury benches is something we should be allowed to examine when we are asked to vote more money for the purpose they outlined at that time and of which the minister has given the committee no further outline today. That is all we are asking for in the Liberal party in this debate.

The Deputy Chairman: I should just like to suggest to the hon. member for Essex East that there is a significant difference between this resolution and the one which was before the house last session. I suggest that the difference is that the words "Further amount required" are included in this item. I have already read to the committee standing order 59(2) which states as follows:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

I must say that the Chair is bound by the rules. I would ask hon. members to co-operate with the Chair in order that we may proceed with the business of the house in an orderly fashion.

It now being 5 o'clock it is my duty, pursuant to standing order 15(3), to leave the chair in order to permit the house to proceed with the consideration of private and public bills.

Mr. Speaker: It being five o'clock the house will now proceed to consideration of private and public bills, the former having precedence.

FINANCIAL ADMINISTRATION ACT

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

Mr. Samuel Boulanger (Drummond-Arthabaska) moved the second reading of Bill No. C-4, to amend the Financial Administration Act.

He said:

(Translation):

Mr. Speaker, I should like to speak for just a few minutes on this bill, so it can carry before the house takes recess.

Financial Administration Act

As the explanatory notes indicate, the purpose of this bill is to enact that every cheque, draft, traveller's cheque, bill of exchange, postal note, money order, postal remittance and any other similar remittance of any department as defined in paragraph (f) of section 2 of the Financial Administration Act or of any crown corporation enumerated in schedules B, C and D of the said act, shall be printed in both the English and the French languages.

Last year, even more than this year, we noted among all hon. members a desire for greater understanding of the provisions of the British North America Act and what it involves, namely the use of both official languages in Canada.

In fact, ever since I have been sitting in this house, I have been amazed at the extensive use being made of French to express opinions. I wish to commend all members, and particularly those who, though they may be only learning to express themselves in French, are making efforts that we, French-speaking members, appreciate and admire.

This explains why the Prime Minister (Mr. Diefenbaker) promptly saw to it that speeches made in the House of Commons be simultaneously translated, so that members of either language may follow proceedings without having to wait for the official translation which is published the following day in *Hansard*.

Certain members may find it odd that after 90 years under a federal system which places the French and English languages on an equal footing in Canada, it should be necessary to introduce in this house a bill designed to give official recognition to a principle contained in the very constitution of this country.

The present Minister of Finance (Mr. Fleming), whose worthy efforts to learn French I heartily commend, will certainly agree with his predecessors in the high office he holds in the cabinet, that, from a technical point of view, absolutely nothing forbids the printing in both languages of federal government cheques and other negotiable instruments. The technical difficulties are no greater than those involved in printing bilingual money or postage stamps which proclaim to the face of the world that Canada is a country basically made up of two great races, living in harmony and mutual respect.

I know that, by virtue of the authority he holds within the treasury board, the Minister of Finance could request that federal government cheques and other negotiable instruments be printed in both languages, as are family allowance cheques issued to residents of Quebec, cheques issued by certain other federal services, and many official federal documents.

The bill I am introducing would, in fact, be pointless if its main purpose were not to reiterate to the Minister of Finance and to all the members of the cabinet the will that was clearly expressed in this house during the last session of the 23rd parliament, when a bill similar in every respect received a practically unanimous vote.

I do not expect that any member will feel it necessary to express his views about an obvious matter, even if the house has undergone certain changes at this session. That is why I am convinced that my Conservative friends, as well as the members of the C.C.F. party, and even the Liberals, will feel it desirable to reiterate without delay the unanimous will of the house on the matter now before the house.

Right-minded English Canadians are showing great regard for the French language and it can be said that culture-loving people learn this language. This is why, in 1957, we have heard our gracious Queen give a flawless reading of the French version of the speech from the throne. Again last year, the Prime Minister of Great Britain, the Right Hon. Harold Macmillan, used perfect French in the address he gave to this House of Commons.

Quite recently, a professor at the university of Western Ontario expressed the hope that both official languages would be used equally in all ten provinces, and he added:

—according to legislation, Canada is a bilingual country, even though the law finds its application only in the official documents of the federal government and in the province of Quebec.

That same professor suggested that French be taught to all school children 8 to 9 years old, and, he said:

—where it is done, this teaching is successful.

In the same line, Dr. Jeanneret, pioneer of the teaching of French in Ontario, suggested the same thing and, after the adoption of the resolution by the Canadian Conference on Education, he added:

—that the teaching of a secondary language should be practised from coast to coast, in public and secondary schools, French being taught in the English provinces and English in the province of Quebec.

And so, he went on to say:

—the same harmony, the same spirit of "live and let live" between English-speaking Canadians and

French-speaking Canadians, would prevail as they do between English, Scottish and Irish Canadians.

If the views expressed by those educators were put into practice, the government would find that the whole nation would welcome an official decision which would implement the people's will, so clearly expressed through their representatives. I know that two of my Conservative colleagues, the hon. member for Joliette-L'Assomption-Montcalm and the hon. member for St. Hyacinthe-Bagot (Messrs. Pigeon and Ricard) have put on the order paper a bill for similar purpose.

I therefore call on their co-operation not to delay the debate and prevent the second reading of this bill, before the house takes recess. Any delay caused by their colleagues on the government side would create the impression that they cannot count on those colleagues' co-operation in having this bill passed when their own bills are submitted to the house in the near future.

I therefore urge the movers of these bills to use their influence on their Conservative colleagues to have the question put immediately.

(Text):

Mr. M. W. Martin (Timmins): Mr. Speaker, at this time on behalf of both myself and the group in this corner I should like to endorse the principle of this bill again as we have done on other occasions in the past when similar bills were before us and were debated at some length. I have not yet met an hon. member of this house who had anything to say either in or out of the house, against the principle of this bill. Its enactment will create no hardships for anyone and no harm can flow from it. With that in mind, Mr. Speaker, I think the motion should be brought to a vote so that this bill may receive the unanimous endorsement it deserves.

Mr. Arthur Maloney (Parkdale): Mr. Speaker, this is the first occasion during this session on which it has been my privilege to speak in this chamber and I shall address it only briefly. I am glad the occasion I choose to address this honourable house for the first time this session is one on which there is under discussion a proposed piece of legislation of considerable national interest and importance.

The proposed legislation put forward by the hon. member for Drummond-Arthabaska would, if it were enacted, require that there shall be printed in both the English and French languages every cheque, draft, traveller's cheque, bill of exchange, postal note, money order, postal remittance and any other similar remittance of any department of government as defined in the relevant section of the Financial Administration Act.

This question has come before the house on previous occasions. Those of us who were elected as recently as I was and as some of my colleagues were on June 10, 1957, recall some very interesting debates concerning this legislation that took place during the session after that election. But the subject has been discussed on numerous occasions prior to that and one's knowledge of the subject is enriched very considerably if he avails himself of the opportunity to study the debates and some of the very learned contributions that were made to the discussions of the subject by some of the distinguished hon. members who participated in the debates on those occasions.

One question that has not been raised by the hon. member who moved this bill but which was raised by an hon. gentleman during the session held between 1957 and 1958 concerns whether or not there is a need for legislation of this kind; in other words, whether or not the legislation in its present form would authorize the Minister of Finance (Mr. Fleming) to direct that cheques of the kind contemplated by the proposed legislation be printed in both languages without any resort to new legislation at all.

As a matter of fact, the present Minister of Finance was questioned about this possibility in this house in December of 1957. The minister then quite frankly stated to the house that this was a matter as to which a legal opinion would have to be obtained and given. It may be, then, that if no legislation is needed the debate that takes place on the proposed bill of the hon. member for Drummond-Arthabaska (Mr. Boulanger) is academic.

Certainly as I understand the practice and from what I have been able to observe in the study I have given the subject, in the province of Quebec cheques of the kind referred to in the proposed legislation are already printed and distributed in the French language and unless there has been some recent change I have also discovered that some of the cheques distributed on behalf of the St. Lawrence seaway authority and by the Canadian Broadcasting Corporation are likewise printed in the French language.

Mr. Chevrier: Mr. Speaker, may I be allowed to make a brief intervention. I think, and in fact I am sure, the cheques of the St. Lawrence seaway authority are bilingual.

Mr. Maloney: I am sorry. I understood some of them were printed in English and

some of them in French and I am in the hon. member's debt for having corrected me. I take it that the cheques issued on behalf of the Canadian Broadcasting Corporation would also be bilingual and it would thus appear that bilingual cheques are in fact used by the two crown corporations to which I have made reference. This would tend to give some weight to the suggestion that legislation may not be needed and this is perhaps a matter for which a legal opinion ought to be sought by the officials concerned from the appropriate persons.

I was very much distressed to hear the hon. member for Timmins (Mr. Martin) imply that anyone who ventured to express a view on the subject of this bill was putting himself in the position of being open to accusations of attempting to talk out the bill. Because of the provision made for them under the rules of this house in the case of private members' bills, rightly or wrongly, adequate time is not provided to enable this house to deal effectively with such bills on the occasion of their first introduction.

I believe that a bill of the importance of the present one, the subject matter of which tends to be controversial, should be discussed by as many hon. members as possible so that all hon. gentlemen will have an opportunity to express a point of view. The house having heard the widely representative and perhaps divergent points of view of hon. members from coast to coast will then in due course and at the appropriate time be better qualified to determine the merits of the proposed legislation. None of us is always completely right or completely wrong and those of us who take one position have no right dogmatically to attempt to impose his point of view upon those who entertain an opposite point of view.

The facts as I understand them—and it is in the light of the facts that one attempts to make up his mind—in respect of this legislation are of considerable interest. For example the French Canadian population that resides outside the geographical boundaries of the province of Quebec numbers well over one million. In other words the number of French Canadians residing outside the geographical boundaries of that province is in excess of the aggregate population of all the prairie provinces. I believe that is a factor of considerable importance.

The census of 1951 when our population was a good deal less than we now know it to be, 14 million, indicated that that portion of our population who speak exclusively the French tongue was almost 3 million; the precise figure being 2,741,812.

I was rather interested to discover some statistics that were unearthed for use in a similar debate by the then hon. member for Kamouraska, Mr. Arthur Masse, as recorded at page 867 of *Hansard* for January 31, 1957, volume 1, as follows:

After the 1951 census, the percentage of people of French origin in Canada was stated as follows in the different provinces:

Newfoundland	2.7
Prince Edward Island	15.7
Nova Scotia	11.4
New Brunswick	38
Quebec	81.9
Ontario	10.4
Manitoba	8.5
Saskatchewan	6
Alberta	—
British Columbia	3.5
Yukon and Northwest Territories	15.6

Apart altogether from the very substantial part of the population whose racial origin is French-Canadian, the distribution of that population outside the province of Quebec is a matter of very considerable significance in determining the merits of this piece of legislation.

I am one of those Canadians who has always believed that our fundamental characteristic as a race of people, our basic national characteristic, indeed, and I hope I won't be accused of being melodramatic about it, our very national soul is our complete lack of uniformity in such matters as race, religion, language and culture. It is that lack of uniformity that gives us the characteristic that sets us apart from everybody else in the world and marks and stamps us as people who are distinctively Canadian, quite unlike any other people of the world. All this stems from the historical incident of two races, widely different in all of these matters, living side by side over the years.

I am one of those Canadians who believes that all that is to the good; I am one of those who believes that that makes us a more important country in the catalogue of countries of the world. In the light of the views that I have expressed I think it is not difficult and does not leave much to the imagination to determine upon what side my sympathies lie in respect of the proposed legislation. I support it and I speak in its favour.

(Translation):

Mr. Speaker, because of the nature of the bill now before the house, I think it is proper that members, where possible, use both official languages. My attitude towards this bill is clear. As I have often stated in the house and outside the house, I am among those Canadians who have always felt that diversity in matters of race, language and religion, as is found in our country, is a

characteristic that has greatly helped Canada's progress and has never been a hindrance. It is a characteristic that has increased my pride in being a Canadian. The introduction of bilingual cheques will simply be a further illustration of what we mean by Canadianism.

(Text):

Politicians—we are all accused of being politicians and I have not made up my mind yet whether it is a bad word or a good word —it seems to me, with the very brief experience I have had, labour under some fears that I think and in my experience are rather needless. I often think that this is perhaps because politicians often accept their advice from quarters which are not properly informed.

You know, speaking as a member from one of the Toronto constituencies and as someone who does not believe in having too many secrets, I cannot help but think how often some of us are admonished that we must not say this, or even think this, if we come from Toronto. I often wonder what hon. members who do not come from Toronto think of us after some of the things they hear. It is apparently suggested that if we talk along this line or along some other line in respect of some particular subject it is going to harm us back home. As a matter of fact, I think if I listened to all the advice I get as to what I should say and not say and do and not do I would never say anything and never do anything once I got to Ottawa. I think I would refrain from speaking on any subject and I think I would abstain from voting on any issue if I followed the unsolicited advice of some advisers.

Speaking for myself, I think politicians have an obligation of frankness. If a person in my position entertains a view on a controversial subject, I think he is lacking in frankness to the electorate if he is careful to conceal that view.

You know, actually there are people who say that if you are from Toronto you should not talk about bilingual cheques. That is a lot of nonsense and the facts prove it is nonsense and I speak with a good deal of experience. Anybody who says that if you are from Toronto you should not talk about bilingual cheques does not know Toronto and does not know its people and is suggesting, when he uses that kind of terminology, that there is some kind of anti-French element in Toronto which I have never found. I think that kind of accusation is a slander against my city, and it is my beloved city, and I would not think of it as my beloved city if I thought the accusation were true. But facts, as facts so often do, have the habit of proving the falsity of the accusation.

What happens to you politically in Toronto if you dwell upon the glories of French Canada; what happens to you politically in Toronto if you speak boastfully of the contribution of that ancient culture to the development of our Canadian nationality? I can tell you from personal experience what happens. I spoke in this house in October, 1957 and my words, just a few sentences of them, are recorded on page 203 of the proceedings of this house of October 21. On that occasion I said what I said in different words just a few moments ago. This is what I said then:

> I am of the belief that our nation is a greater nation because of the historical association of two great races of people, the English and the French. They have lived side by side, more often than not, in harmony and good will. Out of this association has developed a nationality which makes us, not only a more interesting country in the eyes of the world but an example in tolerance and understanding.

When I used that language, Mr. Speaker, I did not whisper, I spoke out loudly and as forcibly as I was capable of doing and *Hansard*, with its usual accuracy, reported every single syllable I uttered. In due course those comments, and comments like them, found their way into the Toronto press, into all three of our daily papers. They were even quoted on the radio and indeed formed the subject matter of editorial comment. But that was not the end of it, because a few months later an election, as we all know, was held. A few months later we had to submit ourselves to the electorate and everything we said, everything we did, all we had not said and all we had failed to do was something in respect of which we then were required to give an accounting to the electorate. There were uninformed advisers who remembered what I said, who recalled the theme that I had sought on that occasion to develop it, who expressed the fear that it would do much harm, expressed the hope that what I had said then would be forgotten.

I said a few moments ago, Mr. Speaker, that you and I and all hon. members have an obligation of frankness to the electorate. Under my direction, the campaign literature which was distributed throughout my constituency, from the north end to the south end and from the east to the west contained extensive references to what I had said in my maiden speech and what other people had said about it. But more than that, whenever I spoke in my riding prior to that election, whenever I spoke in my city prior to that election, I attempted to develop the same theme.

What was the result in Parkdale, some of whose people are Catholic, most of whom, of the Anglo-Saxon element, are Protestant, some of whom are Jews, hardly a single

one of whom is French Canadian? I as the Conservative candidate received the largest majority that any candidate of any political party had received in almost thirty years. Does this not give us reason to question the advice that you have got to count to ten before you open your mouth in this house about something you believe to be good?

I have viewed the history of my party in respect of matters that have to do with the principle involved in this legislation. It was my party that introduced simultaneous translation. We are all benefiting by that. Those of you who cannot speak English or have difficulty understanding it now have the privilege of turning off this piece of equipment and thereby do not have to listen to me. Simultaneous translation was introduced here under the aegis of a government that I have the privilege to support and is already, in a brief experiment, doing more to cement national unity than anything else in a long interval of time.

It was a Conservative administration that in the year 1934 enacted legislation whereby currency was printed in French. Admittedly currency was printed either entirely in French or entirely in English but it was a step, the first step of its kind taken in that direction under the authority of a Conservative administration. Two other similar bills are on the order paper which would have the effect of introducing bilingualism into the field of cheques. These bills have been introduced by two members of our party, the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) and the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). Both have private member's bills on the order paper whose objective is similar to that of the bill we are now discussing. If those of you who are interested in the subject wish to do so you can refer to *Hansard* of January 31, 1958 where you will see, when the motion for second reading was put and a division of the house took place, that a very great majority of the Conservative members of parliament voted on that occasion in favour of legislation of this kind.

Another fact that indicates the thinking of hon. members of the house is the effort of so many of them to learn the French or English language, depending on the language of their origin. I think immediately of the hon. member for Rosedale (Mr. Walker) and the hon. member for York Centre (Mr. Stinson) whom I have heard address the house on previous occasions in the French language. While I do not recall him having addressed the house in the French language, I also know something of the efforts of the hon. member for Danforth (Mr. Small) to study and learn the French language. These to me are evidences of a desire on the part of hon. members, certainly on our side of the house, to develop a knowledge and understanding of the French language that will enable them to speak fluently in that tongue.

Opposition to this legislation comes from different quarters. It is not bounded by party or by race. For example, if you will look at the debates in 1956 you will find that the then minister of finance, Mr. Harris, in what was obviously an effort to put a stop to a debate on this very subject on a private member's bill, got up on a point of order and said that it was out of order for a private member to introduce this kind of legislation because it involved the expenditure of public money. When he attempted to develop on what basis the expenditure of public money was involved he said that it was because it would cost more to print cheques in the French language. But quite happily his point of order did not get very far.

I only bring that to the attention of the house for the purpose of showing that this is a subject on which there has always been controversy and opposite views are expressed and have been historically by members on our side of the house and by men like the former minister of finance, Mr. Harris, a member of the party now on the opposite side of the house.

There is certainly nothing to fear from this kind of legislation. If you trace the history of comparable legislation you will find that in 1927 postal orders, money orders and excise stamps were all made bilingual. In 1934, as I have already mentioned, we had the first experiment with the use of currency in the French language. I recall that it was in 1936 that bilingual currency as we now know it was first implemented.

All of these things have not tended to disunite us. If anything, they have promoted unity. The circulation of such items throughout the various provinces of our country has fostered unity rather than set it back and so, in my opinon, will cheques which have become such a widely used medium by means of which the government transacts its business. It will not only tend to further the advance of unity at home but, as one member put it in the debate in 1957, it proclaims abroad our bi-ethnical character. It is simply a further extension of a principle that is already fully recognized and has been traditional over the years.

The hon. member who moved second reading of the bill commented upon the fact that so many visitors who come to Ottawa

address the house in its two official languages. I had intended to make some comment on that too. You will all recall the efforts of Prime Minister Macmillan, Her Majesty the Queen and President Eisenhower. Indeed, all the officials of other lands who come to this country expect, by reason of their knowledge of what is really meant by Canadianism, that that is the thing to do when they come here, and as far as I am concerned that is very desirable and commendable. I am pleased to have had the opportunity to speak to the house. I am pleased to have had the opportunity to speak in support of the principle put forward by the hon. member who has moved second reading of the bill.

(Translation):

Mr. J. J. Martel (Chapleau): Mr. Speaker, this is my first opportunity to address the house during this session. It is no easy task to address the house just after we have heard so brilliant a speech as the one just made by the hon. member for Parkdale (Mr. Maloney). Undoubtedly he dealt exhaustively with the matter and there is not much more to be said. Nevertheless I would like to express my own views in the matter.

Of course, Bill No. C-4 introduced today by the hon. member for Drummond-Arthabaska (Mr. Boulanger), is not new to hon. members. Its history was given a moment ago and it indicates that this matter has come up on several occasions. Before discussing the matter in detail, I must say that as a French Canadian living in the province of Quebec, and simply as a Canadian, I am in favour of the principle of the bill. But, as the hon. member for Parkdale indicated a moment ago, the constitution already provides for the use of the French and English languages in the country and, consequently, I do not think it should be necessary to adopt special legislation to that effect. If you refer back to the act of confederation, the British North America Act of 1867, which, by the way, is the work of great Conservatives like Macdonald and Cartier, you will realize that Section 133 clearly states the rights of the French language and of the English language. With your permission, Mr. Speaker, I will read into the record those sections so often referred to, which are known to many people but which others may not be familiar with. I quote:

133. Either the English or the French language may be used by any person in the debates of the Houses of the Parliament of Canada and of the houses of the legislature of Quebec; and both those languages shall be used in the respective records and journals of those houses; and either of those languages may be used by any person or in any pleading or process in or issuing from any court of Canada established under this act, and in or from all or any of the courts of Quebec.

The acts of the Parliament of Canada and of the legislature of Quebec shall be printed and published in both those languages.

It seems evident to me that the rights of the French language were protected from the time of the adoption of the new constitution in 1867 and that the fathers of confederation had had this very matter in mind. Anyway, the Conservative party has always protected the rights of real Canadianism, and has always endeavoured to foster national unity in the country. I am sure the Conservative party will keep working for the continued advancement of Confederation which they established in Canada, and whose centennial it will be our pleasure to celebrate a few years hence. While French Canada has its own beliefs and traditions, its contribution to Canadian culture has been a very important one for the whole country. So important was it, Mr. Speaker, and this is worth pointing out—that it prevented the absorption of our country by our powerful neighbours to the south. Long before Alaska, Canada would have become the 49th state. I believe that the French-Canadian culture, joined to the English culture, has helped us to safeguard our country's independence, because the Americans were in the process of assimilating the whole of North America. French Canadians—nobody will dispute this—are an asset to the Canadian nation and a natural barrier against American assimilation.

The Bank of Canada Act is quite clear about the printing of government's negotiable instruments, because under subsection (3) of section 20, chapter 13 of the Revised Statutes of Canada, 1952, Canadian government cheques are payable or negotiable at par. Nothing at all prescribes that they be printed solely in English. Besides, subsection 1 of section 21 gives to the Bank of Canada the exclusive right to issue bank notes.

Consequently, I believe that, in this matter, French Canadians and English Canadians are of one mind. In any case, it is provided for in the Canadian constitution. Last year, in this house, our Prime Minister expressed surprise that this right had been disputed, for, according to the constitution, it would be normal that all government instruments be printed in both languages, since our constitution guarantees the use of both French and English.

With all due regard for my good friend the hon. member for Drummond-Arthabaska, and I congratulate him on having introduced this bill, thereby giving us a chance to go into this matter—I say that, if we had to vote on the question, I would prefer, in my humble opinion, to consider bill number C-9, introduced by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), because it is more comprehensive and includes, in a more specific way, all negotiable instruments that would have to be printed in both official languages. Therefore, since that bill will come up later, it might not be necessary to vote on this one, convinced as I am that the Conservative government will settle the matter.

As pointed out by the previous speaker, the Conservative government has already granted simultaneous translation. The former government had done a great deal of talking about it; many times, it had been asked to establish this system, but never did. That is why I have no doubt that the Conservative government will take the necessary steps to grant bilingual cheques from one end of the country to the other.

As was mentioned earlier, as early as 1934, we obtained that money be printed in French. Today, our money is bilingual, and as far as I know, the fact that a dollar is printed in both languages does not prevent it from circulating throughout the country.

Mr. Speaker, before closing my remarks, may I stress the advantages offered by bill C-9 as proposed by my friend, the hon. member for Joliette-L'Assomption-Montcalm, a bill which I have approved and which, in my view, expresses the principle of bilingualism with much greater precision. I think it lays much greater stress on the country's official bilingualism and, if we were called upon to vote on the bill now under consideration—

(Text):

Mr. Speaker: Order. I think the hon. member in discussing another bill on the order paper is going beyond what the rules permit him to debate today, which is the principle of this bill. While I have no objection to the statement that there are other bills relating to the same principle, I think it is out of order to discuss the contents of the other bills.

(Translation):

Mr. Martel: Thank you, Mr. Speaker.

In any event. I did not intend to go into Bill No. C-9 in detail. In closing, I shall simply say that I favour the principle of the bill. We will, in any case, have the occasion to discuss the other bill which, in my opinion, is more comprehensive and more fully recognizes the principle of bilingualism in government negotiable instruments.

(Text):

Mr. A. D. Hales (Wellington South): Mr. Speaker, I rise at this time to take part in this debate concerning the printing of negotiable government documents in both the English and French languages. The previous occasion when this bill was brought before us was in the dying days of the 23rd session of parliament. It was brought forward for our attention on the Friday before the house prorogued, when we had very little time to discuss the issue, and the vote was sprung on us very quickly. As the hon. member for Parkdale (Mr. Maloney) said we, as politicians as he preferred to call us, have a duty to be frank in our thinking and in our discussions. I think if that were not the case, we would not be here.

This is a subject of great national importance and of national interest. It is an extremely controversial subject. At the outset, Mr. Speaker and members of the house, let me make it clear that I fully appreciate the thought that lies behind the British North America Act. I appreciate also the fact that these two races are living side by side in Canada and that they have managed to get along well. I am very proud to be a member of this party which, as was said a few minutes ago, was instrumental in having the money of our country printed in both languages. I am proud also of the fact that it was the Conservative party that installed the simultaneous translation system. Personally, I have found it to be of great help in following the debates that have taken place in this honoured house. I think, in addition, it has done much to maintain the attendance of the house and to arouse interest in all the debates that have occurred in French or English.

I appreciate also the fact that this bill refers to government documents only. The remarks I have to make, which may express a view contrary to some of the views already expressed, will certainly not be uttered in any spirit of animosity whatever. I assure my French-speaking friends in this house and outside of it that my thinking in this matter will be in no way whatsoever a reflection on their nationality. I would think that this bill is a matter that we should discuss carefully. I think we should give it a good hearing. As I have said before, and as one of the hon. members who has spoken has said, this is an extremely controversial subject. I would suggest, Mr. Speaker, that perhaps we should make haste slowly on this subject or that, as has been said, perhaps we should count to ten before we proceed. At this stage I am

wondering just how great is the importance of this bill at this present time when this country is confronted with great international problems. I refer to the race for supremacy of the air, in the days of the sputniks, and getting control of the orbits; our great problems of international trade; the economic war confronting us at this particular time; and all those matters which are of such great importance. I am wondering, Mr. Speaker, whether we should not be spending our time on such matters as these. I am wondering whether we should not be debating a subject which is perhaps more important just at the present time.

An hon. Member: Let us vote on it.

Mr. Hales: Do not misunderstand me, Mr. Speaker. The matter has importance, but having regard to the order of importance, I would think that there are others that should come first. At this particular time I think we should be thinking of the curtailment of government expenditures. Many of us were elected on the platform that we would watch government expenditures and would curtail them. By putting into force a bill such as this one and having all government negotiable documents printed bilingually, of necessity some expense will be incurred. Some may say that it is only trivial. It is only a small point but these small points add up to big totals. I still say it would be an added expense at this particular time.

I believe this bill is designed to extend the use of bilingualism and that it goes beyond the provisions of the British North America Act. If this attitude were adopted by ethnic groups, the result might well be multilingualism rather than bilingualism. What about all these other groups in our country who have their native tongues? Perhaps some of them would like to see cheques and government documents printed in their language. I think we must stop and consider this point with respect to its ultimate results. I would ask myself and hon. members of this house these questions: Is there a real need for this bill at the present time? What hardships, if any, are being created by the lack of bilingualism on any of the government money documents? What about people in the areas of Canada where French is spoken by a fairly high percentage? Is there any great suffering occurring among these people? How many folks, say in Quebec, would hand out a $10 bill for a dollar bill, or vice versa? I believe it has been stated here that the cheques of the C.B.C., and the seaway corporation and possibly the baby bonus cheques are now printed bilingually. If this is the case, I cannot see the need for this bill at the present time.

As to these cheques to which reference is being made, even although they are printed in only one language, namely the English language, the figures appear as 10, 20, 30 or 40, whatever the amount may be; and those figures are the same in English or in French. I therefore do not think there is any great hardship on anybody with respect to these cheques being printed only in the English language.

I would suggest to my hon. friends and to the house that we should weigh this matter in the true light of its necessity at this particular time. I would think that the hon. member who introduced this bill would have been accomplishing something that met a greater need or would be of greater use to this country at this particular time if he had introduced a bill, as I intend to do at some later date, to provide that all cheques be of a standard size and that they will be standard in their printing. The name of the bank issuing them and the amount will appear in a certain place. The signature and everything about that cheque will be uniform. No matter where you go in Canada the size, the printing and everything about the cheque will be uniform. For those in business and those in banks who are obliged to handle thousands of cheques each day, this fact of having uniform cheques would, in my opinion, be the first step in this direction.

Mr. Crestohl: Will they be bilingual?

Mr. Gour: Will they be all in French?

Mr. Hales: Let us get them uniform in size first. Then if the need arises, even more than I would humbly suggest it exists today, I will consider the bilingual aspect at a later date. I hope this matter will be given more serious consideration. I hope that time will be given us to study this matter and to look into it more thoroughly and that we shall make haste slowly.

Mr. Jones: May I call it 6 o'clock, Mr. Speaker.

Mr. Speaker: It being 6 o'clock, the house will resume consideration of the business which was interrupted at 5 o'clock.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

698. To provide for payments to western grain producers of $1 per acre up to a maximum of 200 acres per farm in accordance with regulations of the governor in council—further amount required, $1,300,000.

The Acting Chairman (Mr. McGee): It being 6 o'clock I do now leave the chair.

At 6 o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Harkness: Mr. Chairman, we were discussing the matter of the dollar an acre payment up to a maximum of $200 covered by the vote now before the committee and before our consideration of this question was interrupted at five o'clock a request was made to me to explain why this increased amount of money was required. In addition, some complaint was made by one or two hon. members of the Liberal party, I believe, that I had not given an explanation of this matter.

The committee will recall that when this vote was originally passed last session it provided for $40 million out of which these payments would be made. On the basis of the number of permit books which had been issued in previous years it was estimated that $40 million would be ample to cover these payments. However, once the announcement had been made that the payments were to be disbursed the wheat board, which had been designated as the agent of the Minister of Agriculture for the purpose of making these payments, began to receive a large number of applications for permit books, in some cases from people who had had permit books in previous years but who had not applied for them in the 1957-58 crop year, and in other cases from people who had never had a permit book previously.

There were some 4,000 applications, as I recall the figures, from people who had had permit books before. The acreages which they claimed could, of course, be checked against the acreage recorded in their previous permit books. There were a further 4,000 applications from people who had not had a permit book before, and in these cases there was no means of checking whether the acreage claimed was, in fact, the acreage which these farmers held. In these circumstances some other means had to be taken to check these claims. Payments were, however, made as rapidly as possible to the farmers whose claims could be readily authenticated, and by November 24 a total of 214,194 payments had been made to a total value of $37,712,156. This completed the main body of the 1958-59 permits which had been issued and processed by the wheat board to that date.

The wheat board proceeded to make all the investigations it could into the other cases, and the Department of Agriculture also made investigations with regard to the further applications which were pending for permit books, and as at January 29 payments had been made to a total value of $39,887,459 to 227,919 permit book holders. The average value of the cheques issued was $175.

Mr. Martin (Essex East): How many acres?

Mr. Harkness: I have not got the number of acres, but the sum covers that number of permit holders. At the present time the wheat board is in the course of processing some 6,000 further applications and it is expected that an additional 2,000 applications will be received before the end of the crop year. As new permits are issued acreage payments will be made to the permit holders. On the basis of the average amount paid out so far we calculate that these extra permits will necessitate the payment of an additional $1,300,000. That is the amount of this present vote, and that is the reason why the money is being asked.

I should now like to say a few words in connection with some of the statements which have been made in the course of the discussion so far. The hon. member for Assiniboia says that the reaction to this scheme was one of disappointment and concern. An opinion along the same lines was indicated by the hon. member for Essex East and by certain hon. members. The figures which I have just given, figures which indicate that a very large number of people who did not have them before have now applied for permit books, indicate that these people, at least, were not disappointed. On the other hand they seem to have been delighted.

I have received more letters in connection with this subject than anyone else in Canada, I should think, and I must say that the reaction I have noted is not the reaction indicated by the hon. member for Assiniboia and by other hon. members opposite. The great majority of the people who have written to me about this are extremely pleased to get these payments, and tell me how much the payments will help them. The only difficulty expressed is by people who have not yet been able to get a permit book or who have not yet received their payments and are wondering why it has not been sent. My impression that this scheme has been very well received has been confirmed by the many conversations I have had with farmers in the west and by my experiences in addressing the conventions of the Manitoba farmers' union, the Saskatchewan farmers' union and the Alberta farmers' union.

Naturally, everybody in this country—farmers, trade unionists, manufacturers and

so forth—asks for more. If a manufacturer wants us to increase a tariff and it is by any chance increased, he wants us to increase it a little more, and the same applies with regard to everyone else in this country no matter to what section of the community he belongs. It is only natural that the farmers would like more. That is human nature, and it is to be expected. However, the general reaction which I have received—and I think this will be confirmed by a large number of other members in the house—is that this scheme has been received with considerable gratification on account of the payments which have been made.

The hon. member for Kenora-Rainy River said this measure was strictly for the benefit of the people of western Canada. I should like to take issue with him with regard to that statement. These payments have been of great benefit to people all over Canada. They have resulted, and will result, in a great deal of employment in manufacturing communities in the central part of this country, and the general benefits which will flow from this $40 million are by no means confined to western Canada. They will be spread all over Canada and have an important effect on maintaining employment and on sustaining the general economy.

The hon. member for Kenora-Rainy River also talked as if this $40 million was all the money which had been devoted to agriculture during the past year. Nothing could be further from the truth. I recommend the hon. gentleman to read the speech I made in this chamber on January 23, because he will find in that speech some indication of the very large number of things which this government has done for agriculture during the past year, including reference to the fact that well over $165 million was paid out in direct payments to assist agriculture, and that in addition at least $100 million was added to the income of dairy farmers through the operation of the stabilization board, money which these farmers would never have received had it not been for the operation of the board under the appropriate legislation.

I should like, further, to point out to the hon. member that last year was the best year that farmers have experienced since 1952. Their cash income was 10 per cent above that of the previous year, and 20 per cent above that of 1955 or for 1954. At the same time the increase in the cost of the goods and services which farmers have to buy went up by just over 1 per cent.

Mr. Argue: In one year?

Mr. Harkness: Yes, in one year. As I say, this is the first time since 1952 that the cost-price squeeze of which we have heard so much in this chamber has been finally halted and reversed.

Mr. Argue: Mr. Chairman, I wonder if I may ask the minister a question.

Mr. Harkness: Certainly.

Mr. Argue: Would the minister say the halting of the cost-price squeeze also applied to grain producers and to the price of grain?

Mr. Harkness: Yes, it applied to the grain producers. They received 6 per cent more by way of cash last year than they did the year before. I believe that is all I should say at this moment in connection with this matter. I feel that I have explained why the extra $1,300,000 is required and I trust that the committee will see fit to agree to this vote.

Mr. Pickersgill: Mr. Chairman, I am not going to embarrass the Chair by departing at all from the speeches made by the Prime Minister and the Minister of Agriculture in introducing the original item of $40 million to which they are now asking us to add $1,300,000. I am going to follow very closely certain statements that were made, the first made by the Prime Minister on August 30, 1958, and the second made by the Minister of Agriculture on September 6, 1958, with reference to this particular item.

I may say, sir, that the approach I am making to this item is this. The present government asked the house to vote $40 million out of the treasury and the taxes of everybody in Canada from coast to coast for this purpose. We acceded to the government's request without dissent from the house. We are now being asked to vote an additional sum of $1,300,000. It seems to me that it ill becomes the members of the treasury benches who are responsible to this house to question our right to examine whether the claims they made when they introduced this policy have in fact been carried out and it is some of those claims that I now propose to examine somewhat analytically.

I wish first to refer to a statement made by the Prime Minister on August 30, 1958. For convenience I am using the unrevised edition of *Hansard* and I would refer hon. members to the words of the Prime Minister in a statement made on Saturday, August 30.

Mr. Fleming (Eglinton): Page?

Mr. Pickersgill: Page 4345. It may not be the same page in the revised edition of *Hansard* but in any event it is the first page

for August 30. I shall give the minister a chance to look it up. I do not mind giving my references.

Mr. Harkness: Then you differ from your colleagues in that respect.

Mr. Pickersgill: This is the Prime Minister speaking, and he used these words:

> Our concept of a national policy is based on the belief that the national welfare demands positive action to meet the basic causes of distress and maladjustment in particular industries and regions.

In other words, at that time we were being asked to vote $40 million to the grain farmers of western Canada because there were causes of distress and maladjustment in that industry in that region. That is what we were told on August 30 last. I must confess that I listened with some surprise on January 19, 1959, to the glowing picture of prosperity in Saskatchewan painted by the Prime Minister who told us that in no year in history had Saskatchewan been so wealthy and that the people there had never before enjoyed such a high degree of prosperity as was the case in the year 1958. It occurred to me that there was some inconsistency which perhaps some of the people in Saskatchewan would see between this statement and the earlier statement made by the Prime Minister in another context in order to support another argument.

If this concept of national policy is being followed, and if the reason why we should be voting this money is to remove the basic causes of distress and maladjustment in particular industries and regions, that policy should be applied all over Canada and to every industry in the country. I am not going to traverse a great many industries or talk about manufacturers and trade unions as the Minister of Agriculture just did. I am not going to talk about other agricultural measures as that hon. gentleman did. I am going to stick to this one subject.

Mr. Monteith (Perth): Let us get the cod quickly.

Mr. Pickersgill: I am not going to deal with other subjects as he did in complete disregard of the rules of this house.

Mr. Harkness: I did not talk about those things.

Mr. Pickersgill: I took down the minister's words because I expected him to deny it. What I am seeking to point out, Mr. Chairman, is that the oldest industry in the country in the year 1958 was subject to basic causes of distress and maladjustment far greater than anything painted by the Prime Minister in his description of conditions in the province of Saskatchewan in his speech on January 19 last. It would be a great deal easier for those of us who represent constituencies like mine—and after all the Canadian constituencies in which no wheat is grown still outnumber those in which it is grown—if we knew that this policy was going to be applied all over the country in respect of all situations of a regional character where there is distress and maladjustment in particular industries.

On August 30, 1958, as reported at page 4348 of *Hansard*, the Prime Minister went on to say:

> What we are trying to do is establish a concept of national policy designed to ensure equality of opportunity for all Canadians.

Mark those words, Mr. Chairman: "concept of national policy". This is not something we were asked to vote for because it was especially for the wheat or grain growers. This is referred to as part of a national policy. That was the basis on which we were asked to cast our votes. That is why the hon. member for Assiniboia begged us not to say anything about fishermen when he spoke about it. He told us not to drag them in.

Mr. Fleming (Eglinton): Mr. Chairman, on a point of order, my hon. friend will have at the appropriate time ample opportunity to talk about fishermen but with great respect I submit this is not the time. My hon. friend is taking up a speech not made by the Prime Minister on the main item to which the present item proposes to add a sum. He is dealing with a speech made by the Prime Minister on August 30, a lengthy statement made by the Prime Minister on motions that day.

Mr. Pickersgill: Announcing this policy.

Mr. Fleming (Eglinton): In this statement the Prime Minister—

Mr. Pickersgill: Announced this policy and nothing else.

Mr. Fleming (Eglinton): May I continue?

Some hon. Members: No.

Mr. Pickersgill: I submit, Mr. Chairman, this is not a point of order.

Mr. Fleming (Eglinton): Mr. Chairman, in this statement the Prime Minister made a general announcement of the government's agricultural policy. Out of that policy later emerged the item of $40 million. However, that does not render in order the remarks the hon. member for Bonavista-Twillingate is attempting to make now. There will be other opportunities for him to make the kind of speech he is now seeking to make—

Mr. Hardie: Now we have another speech.

Mr. Fleming (Eglinton): —about another industry. With great respect I submit that by no stretch of the imagination can the hon. member's remarks be relevant to the item under discussion which simply proposes that the house add the sum of $1,300,000 to a vote of $40 million that the house approved last September.

Mr. Pickersgill: Mr. Chairman, I would not attempt to stretch the minister's imagination because before you can stretch something you must have it. I submit that my remarks are strictly related to the item. The announcement to which I am making reference was one made by the Prime Minister in which he invited the house to grant this $40 million. It had to do with nothing else. He was putting it in a framework it is true and I am attempting to deal with that framework because it was the basis on which he asked us to vote the money and today we have the Minister of Finance asking us to vote more money.

Mr. Fleming (Eglinton): It was nothing of the kind.

Mr. Pickersgill: The minister is asking my constituents in Bonavista-Twillingate to vote more money for this purpose—

An hon. Member: Are you opposed?

Mr. Pickersgill: —and he is asking the constituents of my friend the hon. member for Essex East, with all the unemployment they face in that riding, to vote money for this purpose.

Mr. Starr: Is he against it?

Mr. Pickersgill: That is the purpose of this item.

Mr. MacLean (Winnipeg North Centre): Vote against it.

The Chairman: Order. First of all I would ask hon. members to please refrain from making too many comments while any hon. member has the floor. The resolution we have before us reads as follows:

698. To provide for payments to western grain producers of $1 per acre up to a maximum of 200 acres per farm in accordance with regulations of the governor in council—further amount required, $1,300,000.

I am asking hon. members please to limit their discussions to the item before the committee at the present time. It is quite out of order to ask that such a measure be applied to other industries throughout the country. We must limit our discussion on this resolution and on others to the item before the committee.

Mr. Pearson: Mr. Chairman, on the point of order, it will not, of course, have escaped your notice that this is a final supplementary estimate to a supplementary that was introduced in the last session in terms that have been referred to, when the Prime Minister and the Minister of Agriculture made statements which covered, and I think quite properly, a very wide field. It will also not have escaped your mind that in speaking to this supplementary estimate tonight the Minister of Agriculture also saw fit—and we did not challenge his right to do it—to discuss agriculture in pretty broad and general terms in explaining government policy not only regarding this matter but others.

Mr. Harkness: No.

Mr. Pearson: And in that explanation he brought in what the government has been doing for other industries in the country. The hon. member for Bonavista-Twillingate is just following that example which he has every right to do.

Mr. Harkness: Mr. Chairman, on the point of order, I would like to comment on what has just been said and point out that what was said by the Leader of the Opposition is not correct. I did not introduce any other matters not relating to this item. What I did was meet one or two of the statements which were made by hon. members opposite and which, strictly speaking, were out of order. I pointed out the error in those statements but I did not introduce any matters which are extraneous to this item or this vote in any way.

Mr. Pickersgill: Mr. Chairman, on that point of order—

The Chairman: Order. I listened with great interest to the remarks of the Leader of the Opposition and I listened also to the remarks of the Minister of Agriculture. With all due respect to the Leader of the Opposition I must tell him that because one member strayed away from the resolution that is no justification for another member doing the same. I must say to the Minister of Agriculture, with all due respect, I noticed that his remarks were not limited strictly to the item under discussion. The point is that we must now limit ourselves to the item under discussion. If any hon. member strays away from the item under discussion he will be declared out of order.

Mr. Pickersgill: Mr. Chairman, of course you did not say that I had ever strayed away; it was only certain hon. gentlemen opposite, and I respect you for that because you showed your usual justice and your usual courtesy. I have no intention of straying away from the item at all. I do not intend to stray away from the words of the

Prime Minister and the words of the Minister of Agriculture in relation to this particular item.

A moment ago the Minister of Agriculture told us that he replied to irrelevant arguments with even greater irrelevancies. He also introduced things that nobody talked about at all such as manufacturers and trade unions, the benefits all over Canada and other agricultural measures that no one else had talked about. I am not claiming any like leniency.

An hon. Member: Sit down.

Mr. Pickersgill: Perhaps the hon. gentleman behind me who wants to introduce closure into the committee was not here a few years ago. I am not claiming any leniency at all. I am considering what is before the committee, namely the question of whether or not we should grant to the government this $1,300,000 more than they asked for this purpose, for purposes which were defined by the Prime Minister and whose definitions I am reading. I am saying—and I repeat—that it would be easier for some of us to do this with a willing heart if indeed the Prime Minister, the Minister of Agriculture and the government had carried out what they professed when they asked us to make the original vote. That is what I am doing.

Now, what did the Prime Minister say about this? He said:

> What we are trying to do is to establish a concept of national policy designed to secure equality of opportunity for all Canadians.

That is the point I want to underline, equality of opportunity for all Canadians, not a special handout to any special group but equality of opportunity for all Canadians. The Prime Minister also said:

> The immediate and long term approach to the basic problem facing Canadian farmers is a recognition of the fact that the prosperity of Canada is indivisible—

A proposition with which no Liberal certainly would quarrel.

> —and that a reasonably high and stable level of income in Canadian agriculture adds to the welfare of all Canadians.

All I am saying is that that should not be applied exclusively to agriculture. Each of us speaks for himself. I know of one industry where the need of such measures is even greater and that industry, of course, is the fishing industry.

Some hon. Members: Now, now!

Mr. Pickersgill: I continue. These are the concluding words of the Prime Minister. You will perhaps be relieved, sir, that I have reached the concluding words of the Prime Minister in his short and relevant speech.

I can assure you I am not going to try to deal with the four pages of irrelevancy that the Prime Minister uttered on September 6, where he traversed practically every field of government, including external affairs. The Prime Minister said:

> It is apparent that a program which will bring a greater stability to the income of prairie grain producers, and indeed of farmers across the nation, is in the interests of the Canadian economy as a whole.

Again, I do not object to that proposition at all; I think it is an admirable one but I do think it should not be confined to one group of Canadians. It should be applied generally across the board. No one, of course, I hope, will blame me for pointing out that there are other industries, the producers of pulpwood and the fishermen come to mind at once, who are in even greater need at this time.

Some hon. Members: Order.

Mr. Bell (Carleton): Order; deliberately defying the Chair.

The Chairman: The hon. member mentioned fishermen and producers of pulpwood. He has strayed away somewhat from grain.

Mr. Pickersgill: I am keeping very strictly to what was said by hon. gentlemen opposite in proposing these measures.

In proposing that we should support this item the Minister of Agriculture said on September 6 last, as reported at page 4738 of *Hansard*—I am going to make these quotations just as brief as possible—in objecting to a proposal different from deficiency payments—I am not going to stray into a discussion of deficiency payments, although the minister did talk about them at that time—all that I am going to say is that the minister did object to them on one ground among others when he said:

> It would not make for a fair distribution, and it would not give the major portion of the money to the people who needed it most.

Again, that is all I ask. If we are going to distribute those great sums of money out of the treasury the first consideration should be given to those who need it most. Later on the minister said, as found in the same column:

> The plan of acreage payments which we propose under this item is the best method, I think, which could possibly have been devised to meet the cash difficulty which it is admitted exists in western Canada due to two short crops, a short crop this year and a short crop last year.

I am not going to enter into any argument with the minister as to whether this or some other method is the best method to meet this particular need, but I do draw attention to the fact that what he was talking about

was a need, the shortage of cash, and that is by no means confined to this particular group of worthy Canadian producers. Again, sir, I would remind you that there are in other parts of the country other producers such as fishermen in even greater need. As found at page 4739 the minister went on to say:

> But I think we must always keep in mind that the most important determining factor is the size of the crop. It is much better, for example, to have a 40-bushel crop and get $1 a bushel than to have a 10-bushel crop and to get $2 a bushel for it.

I think everyone would agree with that admirable proposition but when you have an industry, as we have in Newfoundland with the codfishery where there was virtually no crop at all and with regard to which we have appealed to the government, indeed, have begged them to provide some assistance—

Some hon. Members: Order.

The Chairman: Order. The hon. member is completely out of order by constantly referring to fish. I ask him to refrain from talking about other matters and to adhere strictly to the item under discussion or take his seat.

Mr. Pickersgill: I do not suppose that Your Honour will find me out of order if I read the concluding paragraph of the Minister of Agriculture's presentation of this item.

Mr. Harkness: Your speech has consisted almost entirely of reading from speeches by the Prime Minister and myself.

Mr. Pickersgill: Which you contend are out of order.

The Chairman: I must ask all hon. members to please refrain from interrupting the hon. member who has the floor.

Mr. Pickersgill: Mr. Chairman, the closing words of the Minister of Agriculture were these:

> In closing I might just say that the money which will be paid out under this scheme will be distributed by the Canadian wheat board on the basis of the cultivated acreage shown in the current permit books for 1958.

I think the minister has now told us that some variation of that system had to be introduced, and I have no particular quarrel with that. I will leave that to persons better informed than I.

> The Canadian wheat board has the organization, the set-up and facilities and the information to be able to make these payments more efficiently and expeditiously than any other agency.

I have no doubt that is quite true too. I come back now to the real point which is that to the $40 million we have already voted, $200 for every farmer with 200 acres of grain, we are being asked at this time to add another $1,300,000. I am in no position personally to estimate but I do not doubt that perhaps the Prime Minister and the Minister of Agriculture were more right last August and September when they asked us to vote this money than the Prime Minister was in January when he told us that Saskatchewan was a land of milk and honey with greater prosperity than it had ever had in its history. I have no doubt that perhaps the Prime Minister was more accurate last August than on this later occasion. But I do say that to ask members of the house from every part of Canada to make an addition to this vote on the basis of need, which was the basis put forward by the Minister of Agriculture, in my view makes it incumbent upon the government to meet other and similar needs in other and similar industries and regions, as the Prime Minister indicated was the intention of the government, an intention about which we have heard no more since August 30 last. I do say, even though in this free parliament it apparently is wrong to say anything about fishermen, that I hope the Prime Minister will remember that principle with which he announced this policy.

Mr. Speakman: Mr. Chairman, I should like to take part in this discussion and express the approval of some 8,000 prairie farmers to the Minister of Agriculture and the government for the $1 an acre supplementary benefit paid last year. I should like to say that when our friends on this side of the house who sit immediately in front of me treat this matter in the airy, fairy-like manner in which they have today they should know why they are sitting where they are, and they will sit there for a long time.

The hon. member for Assiniboia expressed the disappointment of all farmers. I spent four months talking to some 8,000 farmers who expressed complete approbation. I suggest to the hon. member for Assiniboia that he should visit individual farmers in his constituency instead of discussing these matters with heads of organizations who perhaps are not quite as close to the grass as the hon. member should be.

In my constituency there are some 15,000 homes and over 8,000 of them or 60 per cent are occupied by farmers. The other 40 per cent depend entirely on the earnings of the farmers in the constituency, and last year the $1 an acre provided very substantial and real help at a time when ready money was most welcome to anybody and particularly to the farmers who had nothing but a lot of promises for many years. Sixty per cent of the farmers in my constituency farm 240 acres or less and market no grain

although they do have seeded acreage. Fifteen per cent farm 320 acres and market approximately 500 bushels annually. Ten per cent whose farms are a little larger market between 500 and 1,000 bushels. Ten per cent market between 1,000 and 2,000 bushels and five per cent market over 2,000 bushels annually. The bonus of $1 an acre paid last year gave the farmers in my constituency approximately $800,000 and in a constituency of small farms that is a very substantial help not only to the farmers themselves but also to the merchants, lawyers, doctors, dentists, machinery agents, car salesmen and thus to all Canada.

The reason that the farmers in my constituency do not market too much grain, although they are genuine farmers, lies in the fact that in 1958 approximately 100,000 head of beef cattle and 350,000 head of hogs were marketed from the constituency. We have a large dairy industry which supports—

The Chairman: Order. Shall we come back to grain?

Mr. Speakman: I am trying to relate how my constituency was affected by the payment of this $1 an acre and I think I am doing fairly well. We have had quite a discussion today of the relative merit of deficiency payments vis-à-vis the payment of $1 an acre, as well as discussion of other extraneous matters. However, so far as my constituency is concerned, about 15 per cent of the farmers would benefit by deficiency payments and 100 per cent will benefit by the payment of the $1 per acre.

In closing, Mr. Chairman, may I congratulate the Department of Trade and Commerce upon a news item I read today which stated that they had marketed 5.5 million bushels of wheat and 3.7 million bushels of barley to the government of Poland.

Mr. Smallwood: In rising to speak on this item, I should like to congratulate the government upon the help they have given to the western farmer. A few minutes ago I listened to the hon. member for Bonavista-Twillingate giving a real Liberal speech in which he begrudged the western farmers the few dollars they have been given over the last period of months. The Liberals see the results of that attitude today.

We did not bring this dollar an acre payment in as a cure-all. We brought it in to fill the gap until we could get the long range agricultural policy into operation. This $200 that the farmers received last fall meant a great deal to all the farmers in my constituency. I spoke to one merchant who said it was one of the best things we had ever done. It had brought business into the town to the extent of $1,200 in that particular day.

The only real kick one hears about this $200 payment to the farmers is from the C.C.F. party. They seem to be worried about it. They are very much afraid we are going to do something for the farmers, and they will be left out in the cold. According to the Edmonton *Journal*, the leader of the C.C.F. party made the remark that he had not found one farmer who was in favour of this $200. If the hon. member would come to my constituency, and I had the time I would drive him around and introduce him to a few. However, he spends too much time elsewhere.

Mention was made of the fact that the farmers were going to march on Ottawa because they had only received this $200, but that is not the case. We have always received delegations in Ottawa, and we always will. When you try to connect this mass delegation with this $200 payment you find there is just no connection. If the hon. member for Assiniboia was not so busy trying to form this mass delegation and would pay attention to his constituents I do not think he would have this idea. I can assure them that if they come to Ottawa we will receive them with courtesy.

Mr. Regier: After the Newfoundland fishermen had a difficult time in swimming in our seas, perhaps the representative of an industrial riding ought to express his opinion of the vote that is now before us. I intend to support the request of the minister for an additional $1,300,000 to pay the farmers this $1 per acre. However, at the same time, we realize that this payment is not based on any principle at all. It is a handout, pure and simple.

The people of Canada are becoming increasingly worried about the demands upon governments for handouts. We have them for the shipbuilding industry; we have been asked to supply them for shipping on the great lakes; we have them for the mining enterprises of Canada, the manufacturers of Canada, and the coal industry has had them for some years. Mention has been made recently of the fact we will have to give some subsidies to Canadian railways as well. There are a great number of taxpayers who are beginning to wonder where this policy of paying subsidies is going to end. If it were not for our knowledge of the needs of western farmers for this money we would take a very close look at this whole proposition.

It is not based on any principle at all. No one has yet explained why the sum of $1 per acre is to be paid. Why not pay $5 per acre or why not pay 50 cents per acre? No one has explained why the farmer is limited

to a maximum of 200 acres on which he can collect payments. No one has yet explained what is going to be done in the year 1959. Are we going to be asked to vote a similar amount or a larger amount? Is this business of paying a subsidy, a handout, going to become an evil that is so rooted in our national way of life that we cannot get down to equity for all the working people of Canada?

The people of my riding have long realized that the farmers do not want handouts. The farmers want parity, and the people of my riding are highly organized workers, so they realize the value of organized workers bargaining across the table. They feel that agriculture ought to have some right to sit across the table and bargain, lay down the facts and figures, and obtain a fair deal. This is nothing of the sort. This is charity and not parity. This does not apply to the whole of Canadian agriculture. It applies to only a limited section of Canadian agriculture, and it is to be regretted on that point alone. We believe that the subsidy has to be paid this time. However, we would ask this government, if it does not want to find other sections of Canada beginning to complain to base their subsidies on a principle that can be defended to the fishermen in Newfoundland and to the old age pensioner in Burnaby as well.

We feel it is high time that the government attempted to estimate the basic needs of Canadian agriculture, and not resort to methods of this type. This will in no way resolve the basic problems of Canadian agriculture. It will only mean a little relief to one section of Canadian agriculture. I feel that the Canadian farmers, even the western farmers, have every right to organize a march on Ottawa because certainly they had no reason before March 31 last to believe that what they would be offered would be a handout. They had every reason to believe that the new government which they were electing was going to attend to the fundamental problems.

The Chairman: Order. I believe the hon. member is quite far away from the question being debated at the moment. I must ask him to confine his remarks to this item No. 698.

Mr. Baldwin: After listening to the remarks which I heard first from speakers on the opposition side, I am reminded of a story that has been attributed to the senior senator from Illinois, Senator Douglas. After hearing an argument, equally prolix and irrelevant, he said it reminded him of his grandmother's hoopskirt; it covered everything and touched nothing.

Mr. Chairman, from the intellectual gymnastics we have observed and the flow of words we have heard it seems to me that the views of the opposition—and I include both the official opposition and the members of the C.C.F. group—are that they are opposed to this particular measure. I may be wrong in drawing that inference. If so, I hope that before this discussion concludes they will stand up and admit that is not the case or that they may have been converted by the arguments of the minister and the members of the Conservative party. However, as I say, that seems to me to be the impression to be taken from their remarks. I am sure it will make most interesting reading to the farmers in western Canada.

Mr. Benidickson: The hon. member was not listening.

Mr. Baldwin: I observe from the speech of the Minister of Agriculture on September 6, 1958 that the principle on which these payments were made is a simple one. It is set out at page 4739 of *Hansard* as follows:

> The principle upon which these payments are based is to extend the greatest amount of assistance to those who need it most, that is, to the small farmers. That is the basic principle underlying this type of payment and, of course, there is a definite formula.

I come from a constituency in which there are a great number of small farmers. I have personally observed the effect these payments have had on their financial situation, their ability to pay their taxes, their fuel bills and their repair bills. It may well be that, to a party which coined the watchword "What's a million?", $200 may not be very much. But, Mr. Chairman, I assure you that by the people of my constituency it was gratefully received. I am sure that they would want me to say through you, Mr. Chairman, to the Prime Minister and to the Minister of Agriculture that they appreciate the principle on which these payments were made, that they know they were based on an interim basis only and that more is to come. They know there is a long range program which is yet to come before the house. They have received the payments on that basis, and I think the payments have served a very useful purpose.

Mr. Carter: I do not think any member of this house can have any quarrel with the general purpose of this legislation which is to provide temporary assistance of a special kind to a special group of Canadians who are in need. After all, that is just a practical demonstration of the principle of bearing one another's burdens. But though we may be in agreement with the purpose and the principle embodied in this item, in my opinion there is room for some concern about the way in which these funds are to be disbursed.

Although the purpose of this item is to meet a need, nevertheless it is not going to be administered on the basis of need. As I understand it, this item will enable a payment of $200 to be made to every farmer, whether he needs it or not. In that connection there are two points which I should like to make and the first one is this. I suggest that $200 cannot be of much assistance to a farmer whose need is very great.

Some hon. Members: Oh, oh.

Mr. Carter: May I say that personally—

Mr. Horner (Acadia): Personally you come from Newfoundland.

Mr. Carter: I come from Newfoundland where we have fishermen who need $200 a great deal more than do some of those who are going to get this payment but who do not need it at all.

Mr. Horner (Acadia): I would recommend to the hon. member that he take a trip out west and find out.

Mr. Carter: The hon. member may rise and make his own speech when he is ready. I am making mine now.

The Chairman: Order.

Mr. Carter: I am not a farmer but I know a great deal about fishermen and I know a good deal about their problems. As I said before, one payment of $200 cannot be of great significance to a farmer who does not need it at all but who is going to get it. Even if the farmer is in great need, $200 may not meet his requirements. As a good many members in this house have pointed out, $200 does not come anywhere near meeting the needs of some farmers whom these funds apparently are supposed to benefit. If we are going to dispense public funds, surely it would be better to pay them to those who really need them, and not to those who do not need them at all. If my hon. friend is in favour of paying out public funds to people who do not need assistance, that is for him to say. For my part, I am against it.

Mr. Horner (Acadia): Will the hon. member permit a question?

Mr. Carter: I will answer questions when I am finished. The other point in connection with this legislation is this. I think we have reached a point in our economy where we must take a second look at our give-away programs and come to some decision on the question whether it is in the public interest to give public funds to anyone who does not need them.

Mr. Chown: Is that Liberal policy?

[Mr. Carter.]

Mr. Carter: I think we should also consider whether or not our economy can continue to support that kind of administration of public funds. In two elections we were led to expect that a national policy would be developed, one which would apply equally to all Canadians and to all groups of Canadians. What I should like to see would be a policy developed. This is true particularly in respect of those of us who represent other primary producers, and I am thinking particularly of the fishermen whom I represent.

The Chairman: Order. The hon. member is now getting into the realm of economic policy and is departing from the resolution being discussed. Will the hon. member please try to confine his remarks to the resolution under discussion.

Mr. Carter: Mr. Chairman, I am trying to keep entirely within the rules of the house. What I am trying to base my argument on is the method by which this money is going to be disbursed as it is plainly written down here in the supplementary estimates, namely that it is going to go to everyone, whether he needs it or not. Those of us who represent other primary producers would be failing in our duty if, at a time when the government is prepared to give money to some people who do not need it, we did not rise and object that they have refused to pay it to those of our constituents who are really in great need.

Mr. Horner (Acadia): Mr. Chairman, in rising to speak on this item, may I say this. I have observed those hon. members who have spoken previously, particularly those in the official opposition. I have noted what they have said. May I say that I have felt sorry, to some degree, for the party that is trying to take issue without having a member on their side from western Canada.

An hon. Member: We are doing all right.

Mr. Carter: Let the hon. member worry about himself.

Mr. Horner (Acadia): I would make one recommendation to that party. If they ever intend or hope to get a member from western Canada I would suggest that they do not send the hon. member for Bonavista-Twillingate out to western Canada to campaign for them because if they did so I am certain that after the next election they would come back and still be in the same condition as that in which they are to-day.

To get back to the item under discussion, I should like to refer to the speech made by the Minister of Agriculture on January 23 and his statement that more people are dependent on the agriculture industry either

directly or indirectly than on any other industry in Canada. I think that statement should be kept in mind when this committee is talking about an increase in acreage payments. The hon. member for Assiniboia spoke on this subject and said he was greatly disappointed at the benefit this was bringing to western agriculture. He also said that when the government brought this in they assumed it would be a cure-all. Mr. Chairman, when this measure was brought in it was not intended to be a cure-all. I notice that the hon. member referred to this in his speech as a small payment; it was no longer "peanuts". It certainly was not, because this acreage payment means, to my constituency alone, approximately $1 million and I do not belong among those followers of Mr. C. D. Howe who agreed with him when he said "what's a million?" To me, a million is a whole lot of money, and to the farmers in my constituency a million is a whole lot of money.

Mr. Pickersgill: In my constituency $200 is.

Mr. Horner (Acadia): When this government took office in the fall of 1957, the Minister of Trade and Commerce said he hoped to export—and thought he could export—300 million bushels of wheat. I do not know what happened in Newfoundland, but in western Canada Liberals laughed and said: wait until he tries to sell some, he will find it a lot more difficult than he thinks.

The Chairman: Order. Shall we get back to item 698?

Mr. Horner (Acadia): I was dealing entirely with the wheat situation. To go along a little further, we did export 316 million bushels—

The Chairman: Order. I regret to interrupt the hon. member, but we are not discussing the export of Canadian wheat. The matter under debate concerns this payment to western grain producers of $1 per acre to a maximum of $200, and the hon. member must limit his remarks to the item.

Mr. Horner (Acadia): I am sorry if I have strayed from the item. I thought that in dealing with the wheat question I would get around to the fact that in exporting more wheat we improve substantially the position of farmers in western Canada. However, to get back to this acreage payment, let me say that there has been much discussion of the pros and cons. I have advocated a two-price system for wheat, and under this acreage plan up to a dollar a bushel more is allowed for wheat consumed in Canada—and I say that that is not "peanuts" either.

Perhaps I may quote what Mr. Wesson, president of the Saskatchewan wheat pool, has to say about acreage payments:

> Deficiency payments are not designed to aid failure or uneconomic farm units. Deficiency payments do not deal with relief; they are dealing with a marketing problem.

The report continues:

> The acreage payment of $1 an acre by the government was a relief measure—a measure of temporary help, Mr. Wesson stated. It proved to him that many people had not yet recognized the real nature of the farm problem.

In a sense, Mr. Wesson never realized the real nature of the acreage payments, because it must be understood that the farmer benefited to the tune of a dollar a bushel more for wheat consumed in Canada. That is not a relief measure at all: it is direct aid to the farmers who, I might add, have produced wheat during the forties and sold it at about a dollar a bushel below the international wheat price, under the previous government.

Dealing with Mr. Wesson's statement that deficiency payments are not designed to aid failures or uneconomic units, I think this is the point at which an acreage payment does definitely bring some aid, namely to the uneconomic units, which are, after all, the units that we should try to help and pull up so that they can become economic units. There is no sense in taking honest dollars from the treasury to help a unit that is already a sound business. I want to help the small farmers who are caught in the cost-price squeeze as a result of which they are unable to make their places into economic units. Mr. Alf Gleave has scoffed and laughed at the acreage payment. I do not know whether he calls it "peanuts" or not. And yet in statements in the Saskatchewan papers in the *Star-Phoenix* he comes out with a plan. And what is it based on? An acreage system.

Mr. Charlie Gibbing, vice president of the Saskatchewan pool, is advocating a two-price system, which is, in essence what this acreage payment is.

We have heard a great deal from the hon. member for Burin-Burgeo who said that farmers did not want it and do not need it. I could go on all night as to how badly they have needed it and how much they want it. But to add a little more about the two-price system, I hope this government will either bring in an additional measure with regard to acreage payments next year or introduce a two-price system. This is sound business, and I notice recently that the President of the United States has proposed a similar two-price system for that country. I think this suggestion should be given a great deal of consideration. It might be that the price of bread will increase, and in this connection I notice that recently in Alberta the price of bread went up by a cent

a loaf and I never picked up one Alberta paper which objected too strongly in its editorial columns. I think that if we do not wish to continue paying out of the federal treasury we should charge it to the people who buy the bread, because I think the farmer in western Canada is in need of one dollar a bushel more for wheat consumed in Canada; I think it is coming to him.

Mr. Carter: On a point of privilege, Mr. Chairman, the hon. member who has just taken his seat put words into my mouth that I did not use. I did not say that farmers did not need it.

Mr. Horner (Acadia): You certainly did.

Mr. Carter: No, no, I did not.

Some hon. Members: Yes, you did.

Mr. Carter: Oh no, I said this money was being paid to farmers whether they needed it or not, which is quite a different thing.

The Chairman: The hon. member raised this as a question of privilege—

Mr. Carter: I am not objecting to payments being made to farmers who need them, but I was objecting to paying this money out to people who do not need it, and people who do not need it can get it under the way this system is administered at present.

Mr. Peters: I am amused to know that we have now obtained more or less what we wanted—a two price system—and that the dollar a bushel would apply on our domestic consumption of wheat. However, I think the hon. member was referring to bread wheat consumed in Canada rather than to Canadian consumption as a whole. I wish to state very emphatically that we are in favour of the payment of this subsidy to western farmers. I believe it is very similar to the 5 cents a bushel Bennett paid during the depression in terms of present day purchasing power. In my opinion any amount paid to the farmers is of benefit to them.

I was out in western Canada this fall and everywhere I went I heard farmers say that the situation in their area was very grim. When one considers the price of tractors, food and other things one realizes that $200 is peanuts to the farmers. I am surprised that 200 acres should have been selected as a maximum. I am told that the average acreage of farms in Manitoba is 300 acres.

Mr. Horner (Acadia): It is 235 in Manitoba.

Mr. Peters: I understand it is approximately 300 in Manitoba and approximately 500 in Saskatchewan.

[Mr. Horner (Acadia).]

Mr. Horner (Acadia): I suggest that the hon. member read *Hansard* for September 6, 1958.

Mr. Peters: I would suggest that the hon. member make his own speech. In my opinion this payment is not a complete answer to the problem but we are in complete agreement that it should be paid. Any assistance given to the farmers is advantageous even if one must describe it as peanuts.

Mr. Southam: Mr. Chairman, I welcome this opportunity to bring you a note of good cheer from that great constituency of Moose Mountain which I have the honour to represent. I am pleased to state that the farmers in my area after examining the government's agricultural legislation over the past couple of years are very happy about it. In fact, in looking over the record I feel confident in saying that we have achieved more as a government in the last two years than the former government did in 22 years.

The farmers in my area are more than pleased with the acreage bonus now under discussion. I was interested in listening to the gloom and doom cast by the hon. member for Kenora-Rainy River. In his opening remarks he states that he was not too conversant with farm problems and I agree with him.

I may say to the hon. member for Assiniboia who represents my neighbouring constituency that if he had stayed home a little more last fall in the interval between sessions instead of travelling across the country and making numerous appearances on television he would be more conversant with the opinion of farmers in his constituency. In fact I had the pleasure of discussing the acreage bonus legislation in his constituency with a great number of farmers in that area when I addressed a public meeting at Milestone. I did not hear a dissenting vote. Indeed I heard many favourable comments about this legislation.

Mr. Argue: One Tory meeting.

Mr. Southam: There is a growing awareness on the part of farmers about the beneficial results of this legislation. The hon. member for Assiniboia has been busy spreading gloom, doom and pessimism. He says that everything the government does is too little and too late. The people in that area, however, are becoming increasingly aware that the hon. member for Assiniboia preaches the doctrine of plausible nonsense. Those who are informed about the government's legislative program in relation to agriculture

are aware that what the hon. member says is utter nonsense and to those who are not informed it is plausible.

In considering the sum of $40 million it is important to focus our attention on the value of this money to the economy in the past year. Three years ago the farmers of western Canada through their organized farm groups, unions and so on suggested that they would be satisfied with parity prices. None of us was able to hit on a formula as to what an adequate parity price was and so we then talked about a two-price system. Last year, of course, representations were made to the federal government concerning the desirability of instituting deficiency payments. In effect the sum of $40 million represents the establishment of a two-price system if it is viewed in its true sense. This does not represent a complete answer to the problems of agriculture but it does represent the fulfilment of the promise of this government to agriculture that it would examine the problems and bring in temporary or emergency measures designed to put the farmers in a better position in relation to other Canadians.

We in Canada consume approximately 38 million bushels of wheat each year. Our price for No. 2 wheat last year in the west was between $1.15 and $1.22. Taking into consideration that we received $40 million in the form of acreage payments the government was actually paying the farmers of Canada approximately $2.25 a bushel for the wheat used for human consumption this year and that is not to be sneezed at. Having examined the operation of the legislation the farmers of western Canada are quite happy with it.

If I were to demand the latitude demanded by the hon. member for Bonavista-Twillingate I could go on at great length discussing many other pieces of agricultural legislation to put the question of acreage bonus payments in its true perspective but I do not want to transgress the rules of the house. I believe the matter was extremely well covered by the Minister of Agriculture when he pointed out that last year our agricultural economy improved to the extent of 10 per cent whereas the cost of goods and services increased by only 1 per cent.

I thank the committee for its indulgence and I shall conclude by pointing out to hon. gentlemen that the present government is taking a positive and constructive approach towards the problems of agriculture. I am convinced that farmers by and large are quite happy with the legislative program of this government in relation to agriculture and are equally happy about prospective agricultural legislation to be placed on the statute books in the future.

Mr. Slogan: Mr. Chairman, for the last hour I have felt somewhat like a jack-in-the-box in my efforts to be recognized. I should like to add my voice to the others that have spoken out in general approval of the motion before us. I am certainly going to stick to the subject matter of this resolution in my brief remarks.

I have received letters, as I am sure all hon. members representing rural constituencies have, expressing approval of these payments. I have yet to hear of any farmer in Canada who sent these payments back to the government because he did not approve of them.

There has been much talk in this house about deficiency payments. Indeed there was much talk about them in Springfield. Some have said it would be much better to have deficiency payments than a payment of $1 an acre. In Springfield we went to the trouble of finding out exactly what deficiency payments would do for the farmers in the area. We took figures for our crop area which is crop district No. 5 in Manitoba. We found out that in 1957, the last year for which we had complete statistics, there were 2,232,000 bushels of wheat harvested. During the years 1940 to 1954 this area marketed 52.8 per cent of the grain produced. In other words the other 47.2 per cent was kept for seed, was fed to livestock, or disposed of by other means and was not sold at the elevator.

Under the principle of deficiency payments the money would be paid only on wheat marketed at the elevator. On the basis of marketings of 52.8 per cent in this crop district the farmers sold 1,178,000 bushels of wheat at the elevator or 290 bushels for each of the 4,065 farmers shown by the 1956 census to be residing in this area.

The marketing of barley and oats arrived at by a similar calculation totalled 120 bushels and 148 bushels per farmer. On the basis of 1957 production, and the marketing percentages that have been typical for the area over the period of 15 years this would provide a gross average of $133 per farm based on the proposed deficiency payment in the year for which the highest level was suggested which was 1956-57. This was 30 cents a bushel for wheat, 19 cents a bushel for barley and 15 cents a bushel for oats. So on the basis of deficiency payments the farmers of Springfield would have received an average of $133.

What about the farmer who was hailed out, the farmer who had a crop failure or

the farmer who, like the many mentioned by the Minister of Agriculture, fed his grain to livestock and did not market any? The fact is that those farmers who were most in need of help would not have received anything. I know at least one farmer in Saskatchewan who farms 26 sections of land. On this basis, had we adopted deficiency payments it would have brought thousands and thousands of dollars into the hands of those large farmers. There is nothing wrong with that, but on the basis of the money which was made available—$40 million—I submit it was most equitable to distribute the money in the manner in which it was distributed.

Some members of the official opposition suggested that they were opposed to this and this applies especially to the hon. member for Bonavista-Twillingate. I am most surprised at this, since he is a former Manitoban. We certainly would be depriving many farmers in Manitoba of money which they need very badly if we should cut out the additional amount which the minister has brought forward today.

Mr. Pickersgill: I never said any such thing.

Mr. Slogan: Another hon. member suggested it was a handout pure and simple. For years the farmers of western Canada have been subsidizing the bread-eaters of Canada. If we show the western farmers that we wish to give them a little benefit at a time when they are in dire need I certainly think it will be appreciated.

Mr. Pickersgill: Mr. Chairman, I am rising on a question of privilege to correct a statement made by the hon. member who has just taken his seat. I am sure he made it mistakenly and inadvertently but he suggested that I was opposing this item. I have never said a word in opposition to it. I said that this policy should be applied all across Canada to all groups, and that is my position.

Mr. Robichaud: My remarks on this item will be very brief. On other occasions I may speak a little longer. I want to make it clear at the outset that I am not opposing this measure to provide for payments of $1 per acre up to a maximum of $200 per farm to western grain producers; but before this item passes I would like the Minister of Agriculture to tell us why other groups of primary producers should be excluded from similar measures. If the principle is established for the western grain producers, and if it is considered to be a good principle for the country, why would it not be good for our eastern farmers and our eastern fishermen? Why should it not apply to a farmer who cuts pulpwood on his wood lot and has to accept a price of $8 or $9 a cord at the roadside, as happened in New Brunswick in 1958? I know that the farmers of my constituency would be satisfied to accept 25 per cent of the amount which was—

Mr. Fleming (Eglinton): On a point of order, surely, Mr. Chairman, we can, after all the admonitions that have been heard from the Chair this afternoon and this evening on the subject of adhering to the point under discussion, ask the hon. member to stop wandering around and come to the point of the item, namely an addition to the amount already voted for the purpose of providing acreage payments for western wheat producers. This does not give licence to any member to start comparing this with other measures in other fields entirely. This is a matter, the principle of which has already been approved, Mr. Chairman, and $40 million has been disbursed. It is a matter now of deciding whether those who qualify and for whom there is not quite enough money are going to be treated as have those who have already received their acreage payments. This gives licence to no member to talk about everything under the sun except the acreage payments to western wheat producers.

Mr. Chevrier: He is following the example he had from over there.

Mr. Pickersgill: I suggest there should be one ruling in this house for both sides of the house. We have just heard from the hon. member for Springfield and from two or three other hon. gentlemen up in this corner speeches of some length about deficiency payments and other alternative methods of doing this thing and not one word of protest was heard from the Minister of Finance or the Minister of Agriculture. The moment that anyone on this side of the house merely suggests that the national policy that the government boasts about should be a national policy a point of order is raised at once. Surely, in this free parliament fishermen can be mentioned.

The Deputy Chairman: I am sure the hon. member for Gloucester realizes what he should talk about.

Mr. Robichaud: Thank you; I had just about completed my remarks when I was interrupted by an example of the regular system of closure adopted by the Minister of Finance, and which he has been trying to bring in so often in this house. I was just saying, when the Minister of Finance interrupted—and he is quite fast in blaming other members although he does interrupt so often himself—that the farmers in my

constituency would have been pleased to accept 25 per cent of the $800,000 which was paid under this measure to the constituents of the hon. member for Wetaskiwin.

Mr. Kindt: Mr. Chairman, I should like to offer a few words on item 690 and I promise, that I shall do my best to stick to this item.

The Deputy Chairman: Order. We are on item 698.

Mr. Kindt: Mr. Chairman, we are debating the addition of $1.3 million to an already approved item of $40 million to assist the farmers of western Canada, and it is on this subject that I wish to speak briefly this evening.

Why was the money paid; why was the $40 million authorized by this house? It was authorized because the farmers of western Canada, or many of them, are in dire financial straits. In other words, the purchasing power of the farmers of western Canada is seriously injured. Let me say this. As a group, the farmers of western Canada, and any farming group, operate in an almost perfect economy; in other words, in perfect competition. No other group operates under a system under which they are unable to obtain for themselves the benefits of technological improvements. In other words the farmer of western Canada does not really realize that he is in competition with his neighbour in the production of grain. Therefore, we must subsidize the farmer in order that he may have the purchasing power needed to buy the things that he needs today and which he finds difficulty in buying because of the cost-price squeeze. On the one hand there is the cost of machinery and on the other low income from wheat. It is this cost-price squeeze that occasions the difficulties in which the farmers find themselves in this country today.

There has been a lot of talk here tonight about the cordwood people and fishermen and that they should be given a subsidy. Almost everybody who has anyone in his constituency who is unemployed or who has any small group in difficulty feels that those people should be given subsidies. We are talking tonight about a large group, a group of farmers in western Canada, who have need of purchasing power to-day, not to-morrow or next week. What has this government done about it? They have appropriated $40 million to assist the farmers of western Canada with their purchases. Let me say this. In a cross-section of farmers of western Canada you will find probably a small percentage whose operations have been profitable; you will find a middle-sized group and you will find a still larger group of small farmers who need financial assistance, who need the help of this government. The sum of $40 million was appropriated. Judging by the thinking and utterances of my hon. friends opposite one would think that it was not appreciated by the farmers of western Canada.

I recall one instance, for example. One farmer in my constituency, and there are many more like him, was hailed out in six successive years. When he got his $200 cheque he looked at it, saw all the holes in it, put it on his player piano and it played for him, "Happy Days are Here Again". Most every western community has at least 500 farmers and if you multiply 500 by $200 you get $100,000 in purchasing power in each such community. It is that purchasing power which has helped the retailer, the physician, in fact, all groups of society, and has really kept our society going.

Finally, some have spoken of the $200 payment to the farmer as being peanuts. All I would say to them is: Come on out to my constituency and talk to the people. It is true that this is only a temporary measure to meet a certain situation and that with the passing of time it will be necessary to give careful examination to all phases of agriculture. It has already been indicated that two of them, farm credit and crop insurance, will be dealt with at this session.

I believe we are coming to a time when certain farmers in western Canada will need help. There are others who will not. A differential payment was necessary and I want to compliment the government for having paid out the money on an acreage basis thus making it possible for the small farmer to benefit rather than having a large portion of the money paid to the big operators. In other words, all the farmers received something and I can assure the house that the people of western Canada appreciate deeply what their government has done.

Mr. Granger: I should like to speak very briefly on this item. First, I should like to say that the principle of deficiency payments to those in need is one which must receive the approval of every civilized and humane person. Probably nothing is more disappointing and demoralizing than a crop failure. Those people who had hoped to reap and found that there was nothing in their fields to reap must appreciate deeply the special assistance from the government which avoids for them the shame of relief. I have just one comment to make. I regret deeply that the standard which applies to those who till the soil seems not to apply to those who plow the fields of the Atlantic.

Mr. Muir (Lisgar): Mr. Chairman, in rising to take part in this free-wheeling debate it is hardly necessary for me to add anything to the very comprehensive statement on this subject made a short time ago by the Minister of Agriculture. However, I was very interested in what the hon. member for Kenora-Rainy River said. He spoke on the gold subsidy and a variety of other subjects. I have always had a great admiration for the hon. gentleman's debating ability and I find that I am in agreement with the statement he made in opening his remarks that he did not know anything about agriculture. I did not hear all the remarks of the hon. member for Bonavista-Twillingate but I believe that he too said that he knew little or nothing about the farm problem, and I am inclined to agree that as a farmer he is a poor fisherman. However, this can be expected from two gentlemen, who, as I have said, have admitted that they are not—

The Deputy Chairman: Order. In looking over item 698 I do not find the names of either the hon. member for Kenora-Rainy River or the hon. member for Bonavista-Twillingate so I shall have to ask the hon. member for Lisgar to confine his remarks to the item under discussion.

Mr. Muir (Lisgar): I regret that in my remarks I had forgotten that the hon. member for Bonavista-Twillingate had not discussed the subject at hand, but I will move on and say that I was even more disappointed with the remarks of the hon. member for Assiniboia on this subject because he has always acted and talked as if he is the champion of the western farmer. However, I find that he has now aligned himself behind that very small percentage of western farmers, less than 20 per cent, I would say, who farm on a very large scale and are largely responsible for our huge wheat surplus. I think that the hon. member for Assiniboia forgets that over two-thirds of the farmers in western Canada farm less than 300 acres.

I should like to refer to a speech made by the Minister of Agriculture on October 28, 1957, found at page 462 of *Hansard*, in which he gave a breakdown of the size of the farms. This is relevant to the acreage payments under discussion. He gave a breakdown of the permit holders and their acreages. He said that there were a total of 230,854 permit holders and that of this total 31,299 had less than 99 specified acres or acres under cultivation, 63,272 had between 100 and 199 acres and 51,762 had between 200 and 299 acres under cultivation.

Therefore, in trying to do something to help to relieve the farmers of the cost-price squeeze the government had to take into consideration, and wisely so, the fact that the majority of the farmers were small farmers, and the acreage payments made by the government recognized the fact that every farmer and his family are of equal importance to our nation. The payments also take into consideration the fact that the costs of production on small farms are higher and provide that the man who is able to harvest no crop or only a small crop on account of the weather will also be paid. Therefore I think that the government followed a very wise course in setting up a system of acreage payments. Payments are made to small farmers on an equal basis and are particularly helpful to the farmer whose costs of production are high.

I do not know how the hon. member for Assiniboia is going to justify the fact that he is in favour of deficiency payments. I should like him to justify deficiency payments on grain in comparison with the principle of acreage payments because, as I say, I think the acreage payment has been justified and will help the largest number of farmers who really need it.

Mr. Martin (Timmins): Mr. Chairman, between this session and the last session of this house I happened to do what so many of the government members have advised the hon. member for Assiniboia to do, I stayed home and tended to my knitting. As a result of the fact there is not very much wheat grown in the riding of Timmins I must confess I do not know too much about the situation in the west. However, I have listened very carefully to the debate so far, and the speeches made by the minister and the government members from the west who represent all but one riding from western Canada. I am referring, of course, to the three wheat provinces, Manitoba, Saskatchewan and Alberta.

I believe, Mr. Chairman, that there are two things that have been established very clearly by government spokesmen today, not only established but reiterated time and again. The first is that the farmers in the west are better off now than they have ever been since the war. Secondly, this $200 bonus that they got last year was the greatest thing that happened to them since the war. Before this debate is concluded, I should like to have some government member explain this to me. I find it difficult to understand how, if they are having the best times they have ever had, this $200 is so important.

Mr. Pascoe: I think the views of government members have been very clearly explained here tonight, and I should like to voice my approval of this supplementary

acreage payment. I should like also to thank the Minister of Agriculture for his clear explanation of the need for this extra $1,300,000 to pay some of the farmers who did not have their permit books when the payment was first announced. I think this will clear up a situation that some of our western members have had to face, and about which the farmers have been writing to them.

In so far as this debate is concerned, we have had some amazing statements. I do not believe I am out of order in referring to the mass delegation that is coming down here. I should like to say that I am quite sure the government will receive them and give them a courteous hearing. I should like to refer to statements made about these acreage payments by the hon. member for Bonavista-Twillingate, and to put them on the record. He said it was a great sum of money; he was against special handouts to any special group; the needs of the Newfoundland fishermen are much greater than those of the western farmers. I am not quite sure whether the hon. member for Bonavista-Twillingate is speaking personally or for his party. The hon. member for Burnaby-Coquitlam said that this supplementary payment applies only to a limited group; that the people in Canada are becoming alarmed at the increasing demands on government for handouts. The member for Burin-Burgeo said that he came from Newfoundland where there are fishermen who need the $200 a great deal more than the farmers do. He asked, how long can our economy support this kind of giveaway?

I just wanted to put these statements on the record, Mr. Chairman, because they will make good reading for the farmers who are coming down here in this mass delegation.

Mr. Horner (Jasper-Edson): I feel I should say a few words on this item because a considerable amount of the money that is going to be required initially is going to be required in my constituency where we have the greatest number of small farmers in western Canada. They are all very small farmers, who are on the edge of the cultivated area. I am sure the people in my area would like me to tell the minister how much they appreciate the principle enunciated in making these acreage payments.

For the information of the hon. member for Assiniboia, I should like to say that the wheat board has now corrected its stand and all the people who are growing grain for feeding to cattle can receive acreage payments as soon as their acreage has been checked. I was interested, too, in the Liberal approach to this problem. I think that the most we can gather from it is that they are back to their old tactics of dividing this country in the hope that they can conquer it. I feel that their speeches will tend towards disunity, and the speeches made by the hon. member for Bonavista-Twillingate and the hon. member for Burin-Burgeo were excellent examples. We in the west realize that Newfoundland has its problems, and we are willing to listen to those problems. We feel that when we are talking about a western problem, acreage payments, they should at least have the courtesy to discuss that item.

Mr. Argue: I listened with a great deal of interest to the comments that have been made by hon. members this evening. As has already been pointed out by the hon. member for Timmins, it is a rather sad reflection on the economic position of western agriculture if the $200 payment is so important in relation to their income. I am not one of those who feels that this is the best method of assisting western agriculture. It is true that this payment goes to a great many small farmers.

On the one hand, the government says we are going to help the small farmers. This is the way to help the small farmers. If you proceed by way of deficiency payments, you will not help the small farmers. Then, they say we will put a $200 ceiling on these payments. The only people who do not get the $200 payment are the small farmers. Anyone who has a medium sized farm or a big farm gets the maximum payment, but the small farmer gets less than $200. However, these are the people who say this is the measure to help the small farmer.

For what are the people of western Canada asking? Are they asking for this? Is this the thing upon which the government campaigned? I never heard this particular measure mentioned anytime in the election campaign. I never heard any reference made by any Conservative speaker to a dollar an acre payment. However, the Prime Minister was giving sympathetic consideration to deficiency payments. The Minister of Northern Affairs and National Resources and I had this out the other day, but a report of a speech he made at Wolseley stated that action was going to be taken on deficiency payments. When we asked the government during the session last year whether they were considering deficiency payments, they said they were considering deficiency payments; sincere consideration; thorough consideration; adequate consideration; daily consideration. Did one member from that party last year stand up and say to the Prime Minister, we do not want deficiency payments; we do not think that is what should be done. No, they waited like mice until the Prime Minister made the announcement.

Mr. Horner (Acadia): I object to that statement.

Mr. Argue: My friend is a very loud mouse, but I am always pleased to hear him. They waited as quiet as mice, shall we say, and they did not mention deficiency payments. They waited until the line was laid down. Then when the $200 acreage payment was announced they talked about the wonderful Prime Minister and the great action he was taking for agriculture. This was the line.

Well, the line is being changed. Now we hear it being said in places that perhaps we should have a two-price system. I wonder if word has gone out via the grapevine that this thing is in the cards, that this is the thing the government is going to do. If the farmers of western Canada are so much in favour of this answer to their problem, I wonder how it happens that they are organizing a mass delegation which, I am informed, is very close to being 100 per cent signed up. More important than that is the fact that people are contributing their money in order to finance the cost of that delegation coming to Ottawa.

Mr. Horner (Acadia): Will the hon. member permit a question?

The Deputy Chairman: Order. The hon. member for Assiniboia has the floor.

Mr. Argue: The farm organizations of western Canada have now said what they wish the government to do. There is not a farm organization that has gone on record as being in favour of the dollar an acre payment as an answer to western agriculture. As a matter of fact, when the Prime Minister announced this payment last year initially, I at that time quoted Mr. James Patterson, president of the Manitoba farmers' union and president of the interprovincial farm union council at the point at which he said just how inadequate this measure was. In order to have on the record the first clear indication of what organized agriculture thought of this payment I should like to refer again to that statement found at page 4350 of *Hansard* of August 30, 1958, as follows:

> We certainly expected something reasonable . . . and the $25 million—

I might say that was the initial press report; it was since corrected to $40 million.

> —falls far short . . . It takes a long time to pay bills with nickels.

This responsible leader of the farm movement did not call it peanuts, he called it nickels. He went on to say this:

> It will give the farmer a little "spending money" said Mr. Patterson, and the government apparently thinks that will settle matters for a while.

In asking for an alternative to this proposal, the farm organizations are asking on the last crop a deficiency payment of 36 cents a bushel from which a farmer who markets 600 bushels of wheat would obtain more than $200. A farmer who ordinarily produces 600 bushels of wheat cannot get $200 under the present legislation.

Mr. Muir (Lisgar): May I ask the hon. member a question?

Mr. Argue: Yes.

Mr. Muir (Lisgar): What would the farmer who did not raise any wheat or who did not sell any wheat get under your deficiency payment plan?

Mr. Argue: The deficiency payment plan is based on the price of wheat. It is a good question, a fair question and one that should be dealt with.

Mr. Muir (Lisgar): The hon. member has not yet answered the question.

Mr. Argue: If my hon. friend will relax for a minute, I shall be happy to answer it. The question is what will a person get who does not sell a bushel of wheat under the deficiency payment plan. The answer to that question is that under the deficiency payment plan advocated by farm organizations in western Canada today, farmers would be paid on the basis of the price of wheat. It is not an acreage payment. In order to obtain the benefit, it would be necessary for a farmer to sell wheat.

Mr. Muir (Lisgar): He would have to grow wheat.

Mr. Argue: Of course. If you want to get payment for a bushel of wheat you must have a bushel of wheat. It is just as simple as that.

Mr. Harkness: And a man who is hailed out would get nothing.

Mr. Argue: We know that farmers need payment when they have a crop failure. Certainly they need income when they have nothing to sell. That should be done through extension of the prairie farm assistance payments. It should be handled in the way of compensation to the farmers who have had a crop failure.

The whole point that western agriculture is making at this time is with respect to the efficient farmer, to say nothing of the inefficient farmer because he has a small unit through no fault of his own. The highly mechanized efficient farmer, with present costs and present prices, is unable to make an adequate living. They are saying that in order to give the grain producer a chance to make a standard of living in keeping with

Canadian conditions he should be paid a deficiency payment to compensate for the tremendous increase in the cost of production that has taken place in recent years. Hon. members may laugh if they wish at those organizations which are promoting this suggestion, but I would remind them that the whole program of deficiency payments today is supported by the three western wheat pools, by the Canadian Federation of Agriculture, by the farmers' union and by every bona fide national farm organization in this country. In order to show their complete support for this proposition they are circulating in western Canada a petition that is getting an almost 100 per cent sign-up.

Mr. Horner (Acadia): That is not true.

Mr. Argue: Not only is this program getting support amongst the farmers but step by step, as it is taken to other farm organizations, it is receiving support. From the largest farm organization in Canada, namely the Canadian Federation of Agriculture, which met the other day in Saskatoon, there came a motion which was passed supporting the farmers' program, with one delegate voting against it.

The Deputy Chairman: Order. I am going to have to ask the hon. gentleman to come back to this item that is under discussion.

Mr. Argue: I appreciate your ruling, Mr. Chairman. I do not suggest that in any way your ruling is incorrect or wrong. I merely point out something known by all hon. members in this house, namely that we have had a wide-ranging discussion this evening on all questions of agriculture policy and some questions that are not agriculture policy. I was answering those who had said that the program of deficiency payments was wrong and that this program was a better one than that of deficiency payments. I am hopeful that the government will take action to face this serious problem that faces western agriculture at this time and to learn what I am certain they will be able to learn—and I express that hope—from the delegation that comes here, namely that western Canada so far is thoroughly dissatisfied with the action of this government in so far as it affects the economic position of western grain producers, more particularly—

An hon. Member: Speak for yourself.

Mr. Argue: —in the light of the complete promise of the Prime Minister to provide parity prices.

The Deputy Chairman: Shall item 698 carry?

Some hon. Members: No.

Some hon. Members: Carried.

An hon. Member: Ten o'clock.

Progress reported.

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

BUSINESS OF THE HOUSE

Mr. Chevrier: In asking the leader of the house for the business tomorrow I take it that he will proceed in the same manner as he had announced last night in dealing with the business announced on Friday. In any event I take it that it will be possible to carry on with this discussion tomorrow.

Mr. Green: Mr. Speaker, we intend to change the diet for tomorrow from wheat and fish. We will start out with item No. 2 on today's order paper, namely a resolution preceding an amendment to the National Housing Act. Then we shall take item No. 3, a resolution preceding an amendment to the Trans-Canada Highway Act; then item No. 8, a resolution to amend the Northwest Territories Act; then item No. 4, a resolution concerning the National Defence Act; and item No. 7, a resolution preceding a measure to amend the St. Lawrence Seaway Authority Act.

Mr. Chevrier: May I point out to the leader of the house that it has been customary to give us some indication of what is likely to happen the next day, and we did not get that indication as to what would take place on Friday, and again on Monday. We are prepared to go on with the supplementary estimates, but I must say that there are some of these things we are not prepared to go on with.

Mr. Green: I think that when I gave the order of business on the last occasion I mentioned the National Housing Act and also the Trans-Canada Highway Act, and if hon. members are not prepared to go on with the other items I have mentioned we would try to meet their wishes.

Mr. Pickersgill: Very different from the courtesy you used to get.

Mr. Harkness: You do not know what it means.

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

Questions

ANSWERS TO QUESTIONS

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

MONTREAL HARBOUR—ICEBREAKING EXPENDITURES

Question No. 30—**Mr. Bourget:**

What was the cost of the operations carried out by icebreakers for the purpose of freeing the ocean liners ice-bound in the harbour of Montreal, during the months of December, 1958 and January, 1959?

Answer by: **Hon. George H. Hees (Minister of Transport):**

It is not possible to differentiate between the cost of operating icebreakers for the purpose of freeing ships icebound in the harbour of Montreal from that of maintaining a channel for the prevention of flooding at Montreal. The department normally uses at least three icebreakers for work above Quebec for this latter purpose, in any event, throughout the winter and a substantial proportion of these costs would have to be incurred anyway. Thus the costs attributable to freeing the ships cannot be segregated.

Furthermore, accounts are not all kept on a monthly basis and such items as repairs do not occur evenly throughout the year. However, the 1957-58 average monthly costs of operating the four ships directly involved this year were:

d'Iberville	$75,924.23
N.B. McLean	57,822.70
Montcalm	35,811.52
Ernest Lapointe	29,299.60

The ships directly involved in the combined task of preventing flooding and releasing the deep-sea ships were actively engaged in this work during the following periods:

d'Iberville	Dec. 12 to Jan. 15
N.B. McLean	Dec. 16 to Jan. 15
Montcalm	Dec. 27 to Jan. 15
Ernest Lapointe	Dec. 11 to Jan. 15

T.V. SATELLITE UNITS, PRIVATE STATIONS

Question No. 37—**Mr. Benidickson:**

1. For what locations have licences been granted to privately owned T.V. stations for satellite units?
2. For what locations have applications been received from privately owned T.V. stations for satellite units but either (a) denied; (b) still pending?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Penticton, B.C., Vernon, B.C., Kapuskasing, Ont., Elk Lake, Ont., Elliot Lake, Ont., Estcourt, P.Q., Yarmouth, N.S., Shelburne, N.S., Liverpool, N.S., Argentia, Nfld.

2. (a) Inverness, N.S.; (b) Princeton, B.C., Clermont, P.Q., Inverness, N.S.

EMERGENCY GOLD MINING ASSISTANCE—INSPECTIONS

Question No. 48—**Mr. Fisher:**

1. How many times and in what years before 1958 did inspection engineers of the Department of Mines and Technical Surveys use the powers given under the Emergency Gold Mining Assistance Act (R.S. 1952; C. 95) section 6, subsection (a) "to enter upon and examine the mine from which the gold in respect of which the payment is to be made is produced" insofar as the following mines are concerned: Cochenour Willans Gold Mines Ltd.; Dome Mines Ltd.; Hollinger Consolidated Gold Mines Ltd. (Hollinger); Hollinger Consolidated Gold Mines Ltd. (Ross); Aunor Gold Mines Ltd.; Delnite Mines Ltd.; Kirkland Minerals Corporation Ltd.; Lake Shore Mines Ltd.; MacLeod-Cockshutt Gold Mines Ltd.; McIntyre Porcupine Mines Ltd.; McKenzie Red Lake Gold Mines Ltd.; New Dickenson Mines Ltd.; Pamour Porcupine Mines Ltd.; Pickle Crow Gold Mines Ltd.; Preston East Dome Mines Ltd.; Renabie Mines Ltd.; Sylvanite Gold Mines Ltd.; Teck-Hughes Gold Mines Ltd.; Upper Canada Mines Ltd.?
2. On any of such kind of inspections were drawings and plans of the workings checked with the actual workings?
3. If so, on what occasions?

Answer by: **Hon. Paul Comtois (Minister of Mines and Technical Surveys):**

1. An inspection engineer from the Department of Mines and Technical Surveys carried out an annual inspection, under the provisions of section 6 of the Emergency Gold Mining Assistance Act, of the mines listed, for each of the years from 1948 to 1957 inclusive. In general, the inspections did not include an examination of the underground workings.

2. No.

3. Not applicable.

TREE FRUIT IMPORTS—INSPECTION

Question No. 49—**Mr. Houck:**

1. What efforts have been made to raise the standard of inspection of tree fruits at entry points from the United States to Canada?
2. Have any recent instructions been issued to the inspection service?
3. If so, what did the instructions consist of?

Answer by: **Hon. D. S. Harkness (Minister of Agriculture):**

1. In 1958 the standards for tree fruits being imported into Canada were amended by raising the minimum colour requirements for apples. This was done so that imports of United States apples and Canadian apples would conform to the same colour requirements. Certain other amendments were made in 1958 to the regulations under the Fruit, Vegetables and Honey Act which raised the import standards for United States asparagus and tomatoes. Amendments of this

kind are made from time to time after consultation with the growers and industry generally, to ensure that fruits and vegetables imported into Canada meet the same standards that apply to Canadian produce.

2. No recent changes have been made in the instructions to the inspection service. However, fruit and vegetable inspectors across Canada are constantly on the alert to see that imports meet the requirements laid down in the regulations under the Fruit, Vegetables and Honey Act. This is a continuing procedure.

3. Answered in 2.

WINTER EMPLOYMENT CAMPAIGN COMMITTEES, ONTARIO

Question No. 54—**Mr. Martin (Essex East):**

1. How many district winter employment campaign committees have been set up in Ontario?
2. What amount has been allotted by the unemployment insurance commission for each district?
3. What will be the total allotment for Ontario?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. Winter employment campaign committees functioning in the province of Ontario on January 15 are as follows:

Regularly established local employment committees	24
Ad hoc winter employment committees	35
Ad hoc committees in process of being formed	2
Local campaigns conducted by national employment offices, without the support of above committees	9
	70

2 and 3. The unemployment insurance commission allotment to the national employment service offices in the Ontario region for publicizing the winter employment campaign is $7,500. All publicity material such as pamphlets, posters, streamers, film clips, etc. as well as national advertising through the press, radio and T.V. are paid for out of the Department of Labour appropriation. It is not possible to break down precisely the total expenditure on a provincial or local basis. However, the distribution of materials to the several unemployment insurance regions in the past years has generally corresponded to the distribution of the population, and on this basis total spent on promotion in Ontario would amount to about $99,000. In addition the Ontario share of the advertising in daily and weekly newspapers and on radio and television is approximately $60,000.

Questions

PERCENTAGE OF UNPLACED APPLICANTS

Question No. 61—**Mr. Martin (Essex East):**

1. What is the percentage of unplaced applicants in relation to paid workers as at December 31, 1958, in the following Canadian communities:

Atlantic Region: Bathurst, Inverness, Newcastle, St. Stephen, Amherst, Springhill, Bridgewater, Charlottetown, Summerside, Moncton, Sussex, New Glasgow, Corner Brook, Yarmouth, Minto, Campbellton, St. John's, Woodstock, Edmundston, Truro, Kentville, Grand Falls, Liverpool, Fredericton, Sydney, Saint John, Halifax;

Quebec Region: New Richmond, Chandler, Causapscal, La Malbaie, Matane, Sorel, Louiseville, Rimouski, Alma, Port Alfred, Gaspe, Forestville, Megantic, Riviere du Loup, Ville St. Georges, Ste. Agathe, Maniwaki, Victoriaville, Thetford Mines, La Tuque, St. Jerome, Levis, Montmagny, Joliette, Mont Laurier, Shawinigan, Dolbeau, Farnham, Valleyfield, Three Rivers, Asbestos, Granby, Sept Iles, Buckingham, Beauharnois, Drummondville, Sherbrooke, Lachute, Roberval, Magog, Jonquiere, St. Hyacinthe, Quebec, Ste. Therese, Rouyn, Chicoutimi, St. Jean, Val D'Or, Hull, Montreal, Ste. Anne de Bellevue;

Ontario Region: Sturgeon Falls, Hawkesbury, Midland, Picton, Perth, Napanee, Prescott, Collingwood, Renfrew, Port Colborne, Leamington, Owen Sound, Arnprior, Bracebridge, Cornwall, Wallaceburg, Gananoque, Parry Sound, Sudbury, Carleton Place, North Bay, Orillia, Windsor, Trenton, Pembroke, Goderich, Chatham, Lindsay, Niagara Falls, Welland, Simcoe, Barrie, St. Catharines, Fort Erie, Belleville, Peterborough, Cobourg, Sarnia, Smiths Falls, Sault Ste. Marie, Brantford, Galt, Walkerton, Woodstock, Kirkland Lake, Hamilton, Kapuskasing, Timmins, Brampton, St. Thomas, Ingersoll, Listowel, Brockville, Kingston, London, Kitchener, Stratford, Toronto, Oshawa, Guelph, Newmarket, Oakville, Weston, Long Branch, Ottawa;

Prairie Region; Dauphin, Yorkton, Portage La Prairie, Port Arthur, Blairmore, Dawson Creek, The Pas, North Battleford, Prince Albert, Fort Frances, Lethbridge, Fort William, Weyburn, Estevan, Brandon, Saskatoon, Red Deer, Regina, Swift Current, Moose Jaw, Medicine Hat, Edmonton, Winnipeg, Edson, Kenora, Calgary, Sioux Lookout, Drumheller, Flin Flon;

Pacific Region: Kelowna, Penticton, Mission City, Courtenay, Vernon, Chilliwack, New Westminster, Nanaimo, Duncan, Nelson, Prince Rupert, Princeton, Vancouver, Prince George, Kamloops, Cranbrook, Whitehorse, Trail, Victoria, Port Alberni, Kitimat?

2. What is the percentage of unplaced applicants in relation to paid workers as at December 31, 1958, for the country as a whole?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. There are no monthly statistics available on paid workers in local communities across Canada. The number of persons registered for jobs at local national employment service offices serving the communities specified on December 31, 1958 are:

Atlantic Region	
Bathurst	5,797
Newcastle	3,308
Amherst	1,418
Bridgewater	2,298
Summerside	1,754
Sussex	782
Corner Brook	5,263

Questions

Atlantic Region—Concluded

Minto	663
St. John's	15,239
Edmundston	2,325
Kentville	3,216
Liverpool	811
Sydney	5,776
Halifax	5,879
Inverness	1,192
St. Stephen	2,272
Springhill	1,593
Charlottetown	3,212
Moncton	9,121
New Glasgow	4,530
Yarmouth	2,955
Campbellton	2,276
Woodstock	1,647
Truro	2,188
Grand Falls	2,399
Fredericton	2,145
Saint John	3,253

Quebec Region

New Richmond	2,604
Causapscal	2,433
Matane	3,500
Louiseville	1,816
Alma	2,784
Gaspe	1,873
Megantic	1,320
Ville St. Georges	3,287
Maniwaki	1,018
Thetford Mines	2,619
St. Jerome	2,520
Montmagny	2,354
Mont Laurier	981
Dolbeau	1,315
Valleyfield	3,348
Asbestos	1,147
Sept Iles	1,887
Beauharnois	1,799
Sherbrooke	6,540
Roberval	1,286
Jonquiere	2,774
Quebec	17,269
Rouyn	2,876
St. Jean	2,508
Hull	4,534
St. Anne de Bellevue	1,473
Chandler	2,388
La Malbaie	2,385
Sorel	5,350
Rimouski	4,782
Port Alfred	1,138
Forestville	2,260
Riviere du Loup	5,219
Ste. Agathe	1,345
Victoriaville	3,326
La Tuque	1,313
Levis	5,300
Joliette	5,517
Shawinigan	6,198

Quebec Region—Concluded

Farnham	2,136
Three Rivers	7,877
Granby	3,198
Buckingham	1,314
Drummondville	3,185
Lachute	1,335
Magog	929
St. Hyacinthe	3,222
Ste. Therese	3,261
Chicoutimi	2,264
Val D'Or	1,870
Montreal	77,597

Ontario Region

Sturgeon Falls	1,612
Midland	1,655
Perth	889
Prescott	1,515
Renfrew	1,023
Leamington	1,644
Hawkesbury	1,379
Picton	775
Napanee	936
Collingwood	1,286
Port Colborne	2,051
Owen Sound	2,825
Arnprior	738
Cornwall	4,472
Gananoque	505
Sudbury	11,185
North Bay	3,099
Windsor	14,789
Pembroke	2,356
Chatham	3,182
Niagara Falls	3,541
Simcoe	1,688
St. Catharines	5,500
Belleville	2,188
Cobourg	1,131
Smiths Falls	698
Brantford	3,099
Walkerton	1,017
Kirkland Lake	1,687
Kapuskasing	791
Brampton	1,477
Ingersoll	999
Brockville	849
London	6,540
Stratford	1,297
Oshawa	4,003
Newmarket	1,286
Weston	3,447
Ottawa	7,196
Bracebridge	1,547
Wallaceburg	910
Parry Sound	773
Carleton Place	545
Orillia	1,449
Trenton	1,377
Goderich	940
Lindsay	939
Welland	3,214

Questions

Ontario Region—Concluded	
Barrie	1,446
Fort Erie	897
Peterborough	3,726
Sarnia	3,104
Sault Ste. Marie	3,034
Galt	2,161
Woodstock	1,264
Hamilton	16,961
Timmins	2,299
St. Thomas	1,600
Listowel	535
Kingston	2,539
Kitchener	4,349
Toronto	53,448
Guelph	1,900
Oakville	879
Long Branch	4,383
Prairie Region	
Dauphin	1,978
Portage La Prairie	1,339
Blairmore	792
The Pas	445
Prince Albert	2,530
Lethbridge	3,173
Weyburn	582
Brandon	2,632
Red Deer	1,325
Swift Current	1,134
Medicine Hat	1,323
Winnipeg	19,523
Kenora	919
Sioux Lookout	279
Flin Flon	320
Yorkton	3,202
Port Arthur	5,403
Dawson Creek	1,506
North Battleford	1,923
Fort Frances	696
Fort William	3,342
Estevan	499
Saskatoon	4,607
Regina	5,438
Moose Jaw	1,812
Edmonton	15,055
Edson	638
Calgary	8,790
Drumheller	421
Pacific Region	
Kelowna	2,044
Mission City	1,600
Vernon	2,830
New Westminster	11,565
Duncan	1,400
Prince Rupert	2,131
Vancouver	33,361
Kamloops	1,942
Whitehorse	629
Victoria	4,981
Kitimat	425
Penticton	2,110
Courtenay	1,874
Chilliwack	2,893
Nanaimo	2,183
Nelson	1,451
Princeton	568
Prince George	2,911
Cranbrook	1,164
Trail	1,266
Port Alberni	1,020

2. The percentage of persons registered for jobs at all national employment service offices across Canada to the total number of paid workers, as reported by the dominion bureau of statistics monthly labour force survey during the week ending December 13, 1958, the latest date such national figures are available, was 11.4 per cent.

The figures of paid workers include those with jobs and those without jobs and seeking work but do not include employers, own account workers and unpaid family workers all of whom are included in the total labour force figure.

MANUFACTURING PRODUCTIVITY PER EMPLOYEE

Question No. 64—**Mr. Murphy:**

1. In the manufacturing industry, which 20 cities in Canada have the highest manufacturing value in dollars per employee?
2. What is the manufacturing value or productivity in dollars per employee for each said city?
3. What is the average manufacturing value or productivity in dollars per worker in Canada?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1 and 2.

Cities	Value added per employee $
Sarnia, Ont.	21,999
Beauharnois, P.Q.	11,671
Moose Jaw, Sask.	11,011
Shawinigan Falls, P.Q.	10,874
Regina, Sask.	10,487
Waterloo, Ont.	10,241
Port Arthur, Ont.	9,287
Sault Ste. Marie, Ont.	9,206
Port Alberni, B.C.	8,338
Fort William, Ont.	8,280
Hamilton, Ont.	7,842
London, Ont.	7,808
Jacques Cartier, P.Q.	7,509
Niagara Falls, Ont.	7,507
Three Rivers, P.Q.	7,470
New Westminster, B.C.	7,423
Windsor, Ont.	7,362
North Vancouver, B.C.	7,296
Kingston, Ont.	7,177
Lachine, P.Q.	7,153

3. $6,941.

Questions

UNEMPLOYMENT STATISTICS, ATLANTIC PROVINCES

Question No. 69—**Mr. Robichaud:**

What percentage of the labour force is without jobs and seeking work in (a) Canada; (b) Atlantic provinces; (c) Nova Scotia; (d) New Brunswick; (e) Prince Edward Island; (f) Newfoundland?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

(a) 7.2 per cent; (b) 14 per cent; (c) not available; (d) not available; (e) not available; (c) plus (d) plus (e) 10 per cent; (f) 27 per cent.

Note: These statistics are based on a sample of the population and where they relate to small areas such as Newfoundland, are subject to a relatively wide range of sampling variability and therefore should be interpreted with caution.

MARITIME PROVINCES LOBSTER FISHERIES—CONVICTIONS AND FINES

Question No. 70—**Mr. Robichaud:**

1. What was the total number of convictions against lobster fishery regulations in New Brunswick, Nova Scotia and Prince Edward Island, for the years ending March 31, 1954, 1955, 1956, 1957 and 1958?
2. What was the total number of convictions for the period April 1, to December 31, 1958?
3. What was the total number of fines collected from convictions against lobster fishery regulations in New Brunswick, Nova Scotia and Prince Edward Island, for the years ending March 31, 1954, 1955, 1956, 1957 and 1958?
4. What was the total amount of fines for the period April 1, to December 31, 1958?

Answer by: **Hon. J. A. MacLean (Minister of Fisheries):**

1. Year Ending	N.B.	N.S.	P.E.I.	Total
Mar. 31, 1954...	69	150	215	434
1955...	47	171	255	473
1956...	57	167	222	446
1957...	96	255	248	599
1958...	54	272	124	450
	323	1,015	1,064	2,402

2. New Brunswick 81
Nova Scotia 190
Prince Edward Island 151
422

3. Year Ending	N.B.	N.S.	P.E.I.	Total
Mar. 31, 1954...	65	140	214	419
1955...	46	160	236	442
1956...	56	157	222	435
1957...	93	248	218	559
1958...	52	270	119	441
	312	975	1,009	2,296

4. New Brunswick $2,380.00
Nova Scotia 3,710.00
Prince Edward Island 3,835.98
$9,925.98

COAL PRODUCTION, NOVA SCOTIA AND NEW BRUNSWICK

Question No. 71—**Mr. Robichaud:**

1. Was there a decrease in the production of coal in Nova Scotia in 1958 as compared with 1957?
2. If so, by what amount?
3. Was there a decrease in the production of coal in New Brunswick in 1958 as compared with 1957?
4. If so, by what amount?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. Yes.
2. 431,034 short tons*.
3. Yes.
4. 207,692 short tons*.

*Based on preliminary figures for 1958.

TOURIST EXPENDITURES, ABROAD AND IN CANADA

Question No. 72—**Mr. Murphy:**

1. For each of the calendar years 1938, 1952 to 1958 inclusive (a) how much money was spent abroad by Canadian tourists? (b) In what countries was such money spent and how much was spent by Canadian tourists in each of such countries?
2. For each of the calendar years 1938, 1952 to 1958 inclusive (a) How much money was spent in Canada by tourists from other countries? (b) What are the countries whose nationals spent such money and what were the respective total amounts spent by tourists from each of the said countries?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

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1 (a) and (b) ($ millions)

Year	Total	U.S.A.	U.K.	Other sterling areas	Other European	All other countries
1938	86	66	15	2	(— 3 —)	
1952	341	294	27	5	13	2
1953	365	307	31	6	18	3
1954	389	320	35	7	23	4
1955	449	363	40	8	32	6
1956	498	391	46	8	41	12
1957	525	403	47	11	48	16

A complete breakdown of expenditures by overseas countries is not available.

Questions

2 (a) and (b) ($ millions)

Year	Total	U.S.A.	U.K.	Other sterling areas	Other European	All other countries
1938	149	134	8	2	(— 5 —)	
1952	275	257	10	3	4	1
1953	302	282	12	3	4	1
1954	305	283	13	3	4	2
1955	328	303	13	4	5	3
1956	337	309	14	4	6	4
1957	363	325	18	5	10	5

A complete breakdown of receipts by overseas countries is not available.

PULPWOOD IMPORTS FROM U.S.

Question No. 78—**Mr. Fisher:**

1. Did any pulpwood cross into Canada from the United States of America, and specifically to the province of Ontario, during the calendar years of 1957 and 1958?

2. If so, what was the total cordage and the total value of such pulpwood?

3. Was such pulpwood moved by Canadian or American carriers?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. Yes.

2. Statistics of imports of pulpwood from the United States of America during the calendar year 1957, and the period January-October 1958 (latest available) are as follows:

	Calendar year 1957		January-October 1958	
	Cords	Value	Cords	Value
Into Canada	159,657	2,858,726	125,733	2,334,100
Into Ontario	22,009	352,306	25,909	456,737

3. Information on the nationality of carriers is not available.

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

DEPARTMENT OF AGRICULTURE

Science service administration—

695. Construction or acquisition of buildings, works, land and equipment—further amount required, $375,000.

Production service—
Health of animals—

696. Compensation for animals slaughtered—further amount required, $400,000.

Terminable services—

697. Freight assistance on western feed grains—further amount required, $2,500,000.

698. To provide for payments to western grain producers of $1.00 per acre up to a maximum of 200 acres per farm in accordance with regulations of the governor in council—further amount required, $1,300,000.

HOUSE OF COMMONS

Wednesday, February 4, 1959

The house met at 2.30 p.m.

REPRESENTATION ACT

AMENDMENT TO CHANGE NAME OF CONSTITUENCY

Mr. Antoine Frechette (Temiscouata) moved for leave to introduce Bill No. C-21, to amend the Representation Act.

Some hon. Members: Explain.

(Translation):

Mr. Frechette: Mr. Speaker, the purpose of this bill is to provide that the name of the electoral district of Temiscouata be changed to Riviere du Loup-Temiscouata.

(Text):

Motion agreed to and bill read the first time.

STARRED QUESTIONS

FISCAL POLICY STUDY, FOREST INDUSTRIES

Question No. 1—**Mr. Fisher:**

1. Has a study been carried on by the government into fiscal policy, in so far as it relates to forest industries, and particularly, the pulp and paper industry, since May, 1958?
2. If so, what departments and sections of the government were involved?
3. Were any consultations carried on with, or were any representations received from, provincial authorities, corporations or associations?
4. If so, which ones?
5. Has a report on such a study been received?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, no specific study has been made with respect to this particular industry any more than to any other within the scope of fiscal policy. The answers to parts 2, 3, 4 and 5 follow accordingly.

NATIONAL PARKS, MAN.—EMPLOYMENT PROCEDURES

Question No. 2—**Mr. Fisher:**

1. Are employment procedures for the national parks in Manitoba different to those in effect in other provinces?
2. If so, what are the differences, how long are they to be in effect, and what provisions are there to prevent discriminations?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, the hon. member is aware that the former member for the Marquette constituency was also the Manitoba minister in the Liberal government. Under that government, prevailing rates employees for Riding Mountain park were hired through local advisers rather than through the national employment service, the normal practice followed in other parks. During the first year in office the present government followed a similar procedure. However, this fall, in view of the vigorous winter work campaign, my office contacted the members for Marquette, Brandon-Souris and Dauphin, suggesting that every effort should be made to ensure that the most needy cases should be given first consideration in the national park area, irrespective of party affiliations. In this regard we were especially cognizant of the fact that many farmers live on submarginal land and had a complete crop failure in 1958. This also included farm labourers, who during the winter season are unemployed and do not come under the Unemployment Insurance Act.

Last fall the hon. member for Brandon-Souris was in touch with me following a meeting of the winter work committee for western Manitoba, suggesting that the hiring for national park projects should be done through the national employment offices adjacent to the park. Arrangements were made at that time to have the names of all the men seeking winter employment at the park registered in the Brandon national employment service office. Since the members have returned to Ottawa for the present session a meeting has been held with the Minister of Labour and the officials of the national employment service to regularize these procedures.

HOSPITAL INSURANCE—DEPRECIATION COSTS

Question No. 3—**Mr. Martin (Essex East):**

Has a request been made by the government of Ontario during the past six months, asking the federal government to share in depreciation costs under the hospital insurance program?

Hon. J. W. Monteith (Minister of National Health and Welfare): In accordance with the agreement with the government of Ontario under the Hospital Insurance and Diagnostic Services Act, and pursuant to the option permitted under the law to adopt the depreciation method of financing the purchase of furniture and equipment, the federal government is now sharing with the government of Ontario the costs of depreciation in this regard.

Questions

With regard to depreciation on the value of land, buildings or physical plant, the answer is no.

MALTON AIRPORT PROPERTY EXPROPRIATION

Question No. 4—**Mr. Fisher:**

1. Did the crown engage an independent evaluator in order to appraise any properties being expropriated by the crown in connection with the extension of Malton airport in the past three years?
2. If so, when and by what official were the services engaged; what was the evaluator's name; when did he make his report; what were the properties, their values, and their owners?
3. Have the evaluator's recommendations been received and acted upon? If so, in what manner?
4. Has the evaluator been paid? If so, how much?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I understand that the hon. member has agreed to let this question stand.

Mr. Speaker: Stand.

Question stands.

HIGHWAY NO. 11, N.B.—FEDERAL RESPONSIBILITY

Question No. 5—**Mr. McWilliam:**

1. Has the federal government any responsibility for New Brunswick highway No. 11, adjacent to the Chatham, New Brunswick, R.C.A.F. station, of which the proposed highway bridge at Chatham, New Brunswick, would form a part?
2. If so, is this responsibility a cost-sharing one for the erection of a highway bridge on New Brunswick highway No. 11 across the Miramichi river, near the R.C.A.F. station?

Hon. Henri Courtemanche (Secretary of State): The answer is as follows:

1. No responsibility in respect of New Brunswick highway No. 11. Should a bridge be constructed, however, there would be the normal approval required under the Navigable Waters Protection Act.

2. Not applicable.

"CANADIAN ECONOMIC OUTLOOK, 1958"

Question No. 7—**Mr. Pickersgill:**

1. How many copies of the Canadian Economic Outlook, 1958, were produced by the Department of Trade and Commerce or any other agency of government?
2. How many were circulated and to whom?
3. Where are the remaining copies, if any?

Hon. Gordon Churchill (Minister of Trade and Commerce): Stand.

Mr. Pickersgill: On a point of order, sir, is there any reason why these questions should stand, since the answers to them must be both ancient and obvious?

Mr. Fulton: Then why are you asking the questions?

Mr. Speaker: Stand.

Question stands.

[Mr. Monteith (Perth).]

FRED ANSELL

Question No. 8—**Mr. Martin (Essex East):**

1. Has Fred Ansell, a lightkeeper along the St. Clair river near Sarnia, Ontario, been relieved of his duties during the month of December?
2. Has he been replaced by one Lorne Johnson on the recommendation of a member of parliament?
3. Why was Mr. Ansell dismissed from his employment?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the answer to parts 1 and 2 is yes. The answer to part 3 is that following receipt of a complaint that Mr. Ansell actively participated in politics the charges were investigated by the department, and Mr. Ansell admitted active participation in politics. On completion of the navigation season his services were discontinued.

An hon. Member: Was he a Conservative?

CONVERTED VICTORY BONDS—INCREASED INTEREST

Question No. 9—**Mr. McMillan:**

1. What is the amount of the increased annual interest now payable on the converted victory loan bonds?
2. What is the average coupon rate on the new bonds?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the change in annual interest charges to the government resulting from the Canada conversion loan cannot be calculated since it necessitates a comparison of known interest charges on conversion loan and unconverted victory loan issues with unknown interest charges arising in connection with refundings of maturing victory loan issues from time to time in the future. There is no way of predetermining the interest rates at which the victory loan issues would have had to be refunded either at final maturity or at various call dates, in the absence of the conversion loan. Estimated per annum interest of the new conversion loan issues plus unmatured and unconverted victory loan issues for the calendar year 1959 is $250,888,250. Per annum interest on victory loan issues in 1958, assuming that no issue had been refunded prior to maturity, would have been $192,476,410.50.

These figures when compared do not jibe with the figures that were used on a previous occasion and about which the hon. member for Welland asked me a question a few days ago. May I say that the figures I am giving today are later than those figures, but the principal difference is accounted for by the fact that the senior official of the Department of Finance who prepared the earlier figures has found a mistake in them—

Mr. Benidickson: Ten million dollars.

Mr. Fleming (Eglinton): —and these figures I am giving the house today are the correct and up to date figures. I very much regret the error to which I have referred.

The answer to part 2 of the question is 4 per cent.

C.B.C. BOARD OF DIRECTORS—RADIO INTERESTS

Question No. 10—**Mr. Caron:**

Is any member of the executive committee of the board of directors of the Canadian Broadcasting Corporation at present engaged in the business of broadcasting or has any pecuniary or proprietary interest, as owner, shareholder, director, officer, partner or otherwise, in a broadcasting station or in the manufacture or distribution of radio apparatus?

Hon. George C. Nowlan (Minister of National Revenue): I wonder whether the hon. gentleman would allow this matter to stand for today.

Mr. Speaker: Stand.

Question stands.

T.V. NETWORK, N.B.—COST OF EXTENSION

Question No. 11—**Mr. Robichaud:**

1. Has any estimate been prepared by the Canadian Broadcasting Corporation to establish the cost of extending the English T.V. network from any point in the Moncton area to: (a) Newcastle; (b) Bathurst; (c) Campbellton, New Brunswick?
2. If so, what is the estimated cost in each case?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the answer to part 1 is that I am advised by the Canadian Broadcasting Corporation that the corporation has made a general survey of the matter of extending the English television network to the points mentioned in the question, namely Newcastle, Bathurst, Campbellton and the general area. A study is still being carried out so as to arrange for the inauguration of such a service, but there is no detailed breakdown as to estimate of cost with regard to the specific points mentioned.

GREY HAMILTON

Question No. 12—**Mr. Robichaud:**

1. Is Mr. Grey Hamilton employed in the Department of Finance?
2. If so, (a) at what salary; (b) what are his duties?

Hon. Donald M. Fleming (Minister of Finance): The answer is as follows:

1. Yes.

2(a). $10,000 per annum.

2(b). Information officer and assistant to the minister.

Mr. Robichaud: Is he getting results?

KENORA-MINAKI ROAD—FEDERAL CONTRIBUTION

Question No. 14—**Mr. Benidickson:**

1. Has the government of Ontario asked the federal government to make a contribution to the construction of a road between Kenora and Minaki?
2. If so, what contribution has been made, and what is the present state of understanding between the governments respecting completion of the road?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): The answer to the first part is yes, and the answer to the second part is that no contributions have been made. I might say that I have submitted a draft agreement to the province of Ontario on the very fine program they have presented on roads to resources. I hope the provincial government will see fit, in the very near future, to sign that agreement.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PRIME MINISTER'S TOUR—REIMBURSEMENT OF EXPENSES

Question No. 10—**Mr. Fisher:**

1. Have any reimbursements been made to the crown for expenses, travelling or otherwise, by persons accompanying the Prime Minister on his world and commonwealth tour in November and December, 1958?
2. If so, by what persons, in what amounts, for what specific charges or services?

ST. LAWRENCE SEAWAY—APPORTIONMENT OF CAPITAL COST

Question No. 14—**Mr. Chevrier:**

1. What portion of the total capital cost of the St. Lawrence seaway, fixed at $340 million in the report of the tolls committee of the St. Lawrence seaway authority, dated June 12, 1958, is attributable to each of the six sections of the seaway?
2. What portion of the said total capital cost is attributable to each construction classification, including excavation, dredging, locks, bridges, approaches to bridges, roads, construction facilities and equipment, models, etc.?

SOYA BEANS—PRODUCTION, IMPORTS AND DUTY

Question No. 40—**Mr. Murphy:**

1. What was the amount of production of soya beans in Canada during the years 1950 to 1958 inclusive?
2. Were soya beans imported into Canada during these years?
3. If so, from what countries?
4. What amounts from each country?
5. What duty, if any, is paid on soya beans imported into Canada?
6. What is the duty on soya beans imported by the United States from Canada?

MUNICIPAL WINTER WORKS PROJECTS

Question No. 52—**Mr. Houck:**

1. How many winter works projects under the municipal incentive plan have been approved for each of the provinces?
2. In what municipalities in each province and how many will be employed?

LABOUR CONDITIONS

UNEMPLOYMENT—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I ask leave to move the adjournment of the house under standing order No. 26 for the purpose of discussing a definite matter of urgent public importance, namely the most serious situation caused by unemployment and the lack of any major and immediate action being taken to alleviate the problem.

On the matter of urgency, Mr. Speaker, I may say that there are tens of thousands of unemployed who are not eligible to receive unemployment insurance payments, and of those there are many thousands who are not even entitled to receive social welfare payments. In the speech from the throne, and in the addresses given in the debate by members of the government since January 15, we have not noticed any intention on the part of the government to present to this parliament any substantial measures to handle the situation.

In the light of the present needs of our fellow citizens, in the light of the fact that nothing except minor legislation is expected, and in the light of the promise that no one in Canada will suffer because of unemployment, it is my hope that this house will agree to the need for a debate at this time.

Mr. Speaker: If any hon. member wishes to address himself to the question of the urgency of debate the matter proposed, I shall be glad to hear him.

Hon. Howard C. Green (Minister of Public Works): May I point out, Mr. Speaker, that there was an amendment before this house for a period of nine days dealing with this very question, and the members of the C.C.F. as well as the members of the official opposition had ample opportunity to debate the question without limitation. They had practically no suggestions to make. This amendment was dealt with on Thursday last, and I suggest it was never the intention of the rules of the house that an hon. member could come in and have a second try at a question of this kind by moving the adjournment of the house within a matter of six days after such a vote.

Furthermore, I point out to your honour that the business before the house today is something having to do with this whole question of unemployment. I do submit that the motion is completely out of order.

Hon. Paul Martin (Essex East): It is true that the subject of employment was discussed during the debate on the address, Mr. Speaker, but the very character of that particular procedure is one that lends itself to the discussion of a wide variety of subjects. The hon. gentleman who now complains about the motion moved by the hon. member for Burnaby-Coquitlam was among those who resisted any suggestions that a full discussion on unemployment at that time was in the interests of the country.

Mr. Green: Oh, oh.

Mr. Martin (Essex East): My hon. friend says oh, oh, but he and the Prime Minister were among those who said a discussion of the subject was not calculated to relieve the problem. What the hon. member has sought to do today is to focus our attention on unemployment, and not only on unemployment but on the fact that thousands of individuals are not capable of qualifying for unemployment insurance benefits or for seasonal benefits.

Since the government has not brought forward its legislation in this particular it would seem to me, Mr. Speaker, with great respect, in the light of the acknowledged fact that this is one of the foremost problems now confronting our country, that parliament ought to be given the opportunity, through the specific form of this motion, to deal with this urgent national question.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, if I may I should like to say a word on this matter. We feel that this is a matter of urgency, and that it is urgent today. The fact that a motion was dealt with at some previous time has nothing to do with the cold, hard fact that hundreds of thousands of people in this country are unemployed, and it has nothing to do with the declaration we have put forward to the effect that the government should announce its policies to deal with this extremely urgent matter.

Another reason we advance in contending that it is urgent is the fact that we are receiving statements from the province of British Columbia—from the British Columbia federation of labour and other interested organizations and people in that province—pointing out that there is a real unemployment crisis. As to the urgency of this subject, Mr. Speaker, I might remind hon. members that there was a march on the legislative buildings in Victoria just the other day in order to impress upon the authorities the urgency of this extremely important problem.

We submit, Mr. Speaker, that the government should welcome a debate in parliament at this time on this urgent matter, and that they should welcome the opportunity to present their policy at this time.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not want to add anything to what the house leader has brought before you except to say that nothing has been indicated by anything said in support of the urgency of this application that in any way answers the fact that this matter received full consideration during the recent debate—though hon. gentlemen opposite, having the opportunity to make suggestions, made none.

Some hon. Members: Oh, oh.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I be allowed to say a word?

Mr. Speaker: Very briefly; I think the matter has been fairly well dealt with.

Mr. Chevrier: I will be as brief as I can under the circumstances. What I should like to bring to your attention, Mr. Speaker, is the fact that it has been the practice, according to the rule as laid down by this house and as you have decided on more than one occasion, that a distinction should be made as between urgency of the subject and urgency of debate. From what both the Prime Minister and the house leader have said, I think there is no doubt that there is urgency of the subject. But the question that I think both hon. gentlemen on the other side oppose is the urgency of debate. In view of what has happened since the throne speech took place—

Mr. Green: What?

Mr. Diefenbaker: Yes; what?

Mr. Chevrier: All right; I will answer that question. I refer to the fact that the government have been asked to bring down their legislation on several occasions and they did not bring it down. That is the fact.

Mr. Green: How are we going to bring it down?

Mr. Chevrier: There is also the fact that in certain parts of Canada the situation has worsened since the time the speech from the throne was voted upon.

An hon. Member: It is better in other parts.

Mr. Speaker: Order. I think the discussion is getting rather off the point. May I ask the house leader whether he has announced, as I seem to recall, that there will be a supply motion on Monday?

Mr. Green: Yes, Your Honour.

Mr. Speaker: Of course it is not my function to decide questions of policy. My function is only to enforce the rules. I remind hon. members of the house that the rule is one which permits the interruption of our ordinary course of proceedings for the purpose of a debate, not for coming to a decision, because the motion is to adjourn the house and it obviously settles or decides nothing. All it does is give hon. members the opportunity to debate a matter of urgent public importance.

Therefore I think the important consideration in dealing with motions of this kind is the urgency of debate. I do not propose to deal with the urgency of the unemployment problem. It is obviously a problem which has concerned this house throughout this session and the past session, and I daresay will be of continuing concern; it is a continuing problem.

But the question of the urgency of debate, which is referred to as a test of whether this motion should be permitted, is dealt with in Beauchesne's 4th edition, citation 100, paragraph 3, where he uses these words:

> "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate", when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately.

Mr. Fulton: May I refer Your Honour to subparagraph 5.

Mr. Speaker: It seems to me that all hon. members recall that we spent some days debating the unemployment problem in this country in the course of the throne speech debate. As was pointed out by the Minister of Public Works (Mr. Green), there was a specific amendment which opened the debate on that very question referring the house to the question of unemployment. Furthermore, there will be an opportunity for a general debate on a subject of the choice of the opposition on Monday. In my view we should not interrupt our proceedings at this time for the purpose stated by the hon. member for Burnaby-Coquitlam.

MOTIONS FOR PAPERS

DOMINION MARINE ASSOCIATION—PILOTAGE

Motion No. 6—**Mr. Fisher:**

For a copy of all correspondence, since June 15, 1958, between the federal government and the Dominion Marine Association, on pilotage and associated matters.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I have spoken to the hon. member, and it is my understanding that his motion deals with pilotage. With that understanding there is no objection to passing the motion.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the limitations expressed by the minister?

Motion agreed to.

Motions for Papers

ST. LAWRENCE-GREAT LAKES WATERWAY—PILOTAGE

Motion No. 7—**Mr. Fisher:**

For a copy of all correspondence and other documents exchanged between the federal government and officials of the United States concerning pilotage and the regulation of pilotage on the St. Lawrence-great lakes waterway, since June 1, 1958.

Hon. E. D. Fulton (Minister of Justice): On behalf of the Secretary of State for External Affairs may I ask the hon. gentleman if he will be willing to let the motion stand.

Mr. Fisher: Stand.

Motion stands.

RADIO AND TELEVISION COMPANIES—U.S. COURT ACTION

Motion No. 8—**Mr. Fisher:**

For a copy of all correspondence between the federal government and officials of the United States concerning the action in the United States courts against certain companies producing radio and television equipment, since November 15, 1958.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, on behalf of the Secretary of State for External Affairs I would like to say that there is no objection on the part of the government to accepting this motion, subject to the usual understanding that we will approach the United States government to see if they have any objection to the production requested.

Mr. Speaker: Subject to the limitation expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

PREMIUM IRON ORE COMPANY

Motion No. 9—**Mr. Fisher:**

For a copy of all correspondence and other documents exchanged by the federal government and officials of the United States, concerning the Consolidated Premium Iron Ore Company, the Premium Iron Ore Company, Cyrus Eaton, and F. Daley, from June 1, 1958.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, there is no objection to the passing of this order subject to the usual reservation that with respect to any communications passing between this government, or any member thereof, and the United States government, there will of course have to be some consultation and their permission obtained before the tabling is done.

Mr. Speaker: Subject to the limitations expressed by the minister is it the pleasure of the house to adopt the motion?

Motion agreed to.

[Mr. Speaker.]

BREAKWATER, SILVER ISLET, ONT.

Motion No. 10—**Mr. Fisher:**

For a copy of all correspondence since January 1, 1958, exchanged between the federal government and any persons in Port Arthur constituency, concerning the carrying out of work on the breakwater protecting the government wharf at Silver Islet.

Motion agreed to.

INCOME TAX ACT, SECTION 5 (2)

Motion No. 12—**Mr. Fisher:**

For a copy of all representations and correspondence received by the government, and the government's replies thereto, concerning section 5, subsection 2, of the Income Tax Act, since 20th December, 1957.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I think perhaps the hon. gentleman might allow this matter to stand until I have the opportunity of consulting with him with a view to finding out exactly what he has in mind. A request of this kind involves the search of hundreds of files. I am sure the hon. gentleman has in mind something more definite than is contained in this motion. I have no objection to production, but I suggest that he and I should engage in consultation with a view to pinpointing the matters he has in mind.

Motion stands.

C.B.C. LABOUR DISPUTE, MONTREAL

Motion No. 24—**Mr. Howard:**

For a copy of all correspondence, telegrams and other documents exchanged between the government or any of its departments and the Canadian Broadcasting Corporation; and between the Canadian Broadcasting Corporation and any other person, organization, agency or government, since January 1, 1959, and having relationship to the present dispute between the Canadian Broadcasting Corporation and some of its employees.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the first part of this return would be nil because there have been no messages, correspondence or documents of any kind exchanged between the government or any department thereof and the C.B.C. The second part can pass subject to the reservation governing the production of confidential and privileged documents between the corporation and its officials.

Mr. Speaker: Do I understand that the minister accepts the motion subject to the usual reservation?

Mr. Nowlan: Subject to the reservation governing the production of confidential or privileged documents exchanged between the corporation and any of its officials.

Motion agreed to.

PIPE LINES ACT AMENDMENTS

Motion No. 29—**Mr. Argue:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and each of the provincial governments since January 1, 1958, concerning amendments to the Pipe Lines Act (Canada) and/or pipe line acts in force in the provinces.

Hon. Gordon Churchill (Minister of Trade and Commerce): This is satisfactory, Mr. Speaker, subject to the usual limitation.

Mr. Speaker: Subject to the limitation expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

BUSINESS OF THE HOUSE

ANNOUNCEMENT OF INTENTION TO TABLE 1959-60 ESTIMATES

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, may I have leave of the house to revert to motions?

Mr. Speaker: Has the hon. member leave to revert to motions?

Some hon. Members: Agreed.

Mr. Fleming (Eglinton): Mr. Speaker, my purpose in asking leave to revert to motions is to inform the house that it is my intention to table at the opening of tomorrow's session the estimates for the fiscal year 1959-60.

REQUEST FOR FILING OF UNEMPLOYMENT INSURANCE AMENDMENTS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I wonder whether I may ask the Minister of Labour if, in view of the urgency of the matter, he will file today the resolution regarding the unemployment insurance amendments so that it will appear in tomorrow's *Votes and Proceedings* and on the order paper on Friday.

Hon. Michael Starr (Minister of Labour): The answer is no, Mr. Speaker.

Mr. Martin (Essex East): Is it not ready?

Mr. Fleming (Eglinton): You are not ready. It is the opposition that is not ready.

Mr. Starr: You do not know what the resolution is about.

CANADIAN RADIO PATENTS LIMITED

REQUEST FOR CANADA-U.S. AGREEMENT ON ANTITRUST LAWS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Justice a question which

I had hoped to ask him last Friday when he was absent from the house on business. The question was put on *Hansard* for me by my friend the hon. member for Essex East, and it appears at page 552 in these words:

In view of the present conflict of jurisdiction between Canada and the United States, caused by the United States antitrust laws being extended to affect Canadian incorporated companies doing business in Canada, is not the minister of the opinion that self-restraint on the part of the government of the United States in this matter has proven to be insufficient and that, at the very least, a formal bilateral agreement on this specific question is essential to protect our international and domestic legal and business position?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, in answer to the hon. gentleman's question I can only refer him to a fact which I am sure he will realize on a moment's reflection governs the matter, and that is that the exact course of conduct to be pursued by the United States government has not yet been determined. It may be that as a result of the conversations held in Washington on Thursday last there will be some change in policy or attitude on the part of the United States government; and until we have an opportunity to study developments in the matter and determine just what course they are going to follow it would not be possible or proper for me to answer the hon. member's question.

EXTERNAL AFFAIRS

REQUEST FOR REPORT ON MEETING RESPECTING SURPRISE ATTACKS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the Prime Minister's statement that at the earliest feasible opportunity a day would be set aside for a discussion of international affairs, and in view of the desire of all hon. members to be fully informed prior to this discussion, will the Prime Minister advise the house whether he is prepared to file with this house the report of the Canadian delegation which met in Geneva for seven weeks commencing November 10 of last year under a committee heading of "Conference of experts for the study of possible measures which might be helpful preventing a surprise attack and for the preparation of a report thereon to the governments".

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the bare answer would be no, because of the fact that it has never been customary to table such documents. It would not be proper to publish confidential reports of discussions in which other friendly governments participated.

However, if the house so wishes I could table the report of the conference itself as distinct from the report of the Canadian delegation. The report of the conference is a United Nations document and is already in the public domain. If the hon. gentleman feels it would be beneficial to have a complete summary of what took place in so far as it is contained within that report I would be prepared, with the leave of the house, to table two copies.

TRADE

SALT FISH—REPORTED STATEMENT BY JAMAICAN MINISTER

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce, notice of which I sent to his office shortly before the house opened today. Has the minister's attention been drawn to the following statement made by the minister of trade and industry of the government of Jamaica, Hon. Wills O. Isaacs, at a banquet on January 17 tendered by the Jamaica chamber of commerce in honour of the visiting Canadian trade mission when he said, speaking about Canadian salt fish:

> We have come to a definite agreement and understanding, so in future there will be no more cause for complaints and hardship. The arrangements which we have entered into had better remain at the moment between government and government.

If so, would the minister comment on this statement?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I thank the hon. member for sending me notice of his intention to ask this question. Had he given me longer notice I would have had an opportunity to prepare an appropriate answer for this occasion. However, I received the notice just before I came down to the house. I was not present at the banquet on January 17 and my attention has not been drawn to the statement made by Mr. Isaacs. I am checking with my associate deputy minister, who was there, and I shall have a report for the hon. member tomorrow.

Mr. Robichaud: A supplementary question, Mr. Speaker. In his reply would the minister also advise the house if there is any possibility of doing away with the price ceiling on salt fish in that market in the immediate future?

Mr. Churchill: I shall take that question as notice.

GRAIN

INQUIRY AS TO INCREASED PRICE AT POINT OF DELIVERY

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. Following the announcement of the increase of $5\frac{7}{8}$ cents a bushel in the price of wheat at the lakehead, could the minister explain how this increase affects the price the farmer receives for his wheat at the point of delivery?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I thank the hon. member for giving me notice of his intention to ask this question, which concerns a matter that is of some importance to all farmers in western Canada. I have received communications from the wheat board indicating this change in the price of wheat at the lakehead. I believe it would be in the best interests of the house and all concerned if I were to make a complete statement on this subject tomorrow, which I shall undertake to do.

AGRICULTURE

CANADIAN FRUIT WHOLESALERS—ATTENDANCE OF OFFICIALS AT CONVENTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Agriculture. I should like to remind the house that the functions of this department also include horticulture.

In view of the annual convention of the Canadian fruit wholesalers association being held in Montreal from February 8 to February 11; in view of the fact that the association's members distribute about 90 per cent of all fresh fruit and vegetables consumed in Canada, and in view of the importance of this convention to the producers of fruit and vegetables in Canada, will any senior officials of the minister's department attend as observers at this convention?

Hon. D. S. Harkness (Minister of Agriculture): Yes, Mr. Speaker, officials of the department will be present at the meeting.

FINANCE

AUDITOR GENERAL'S REPORT—REFERENCE TO PUBLIC ACCOUNTS COMMITTEE

On the orders of the day:

Mr. Gordon Chown (Winnipeg South): Mr. Speaker, may I ask the Minister of Finance whether the recent report of the Auditor

General will be referred to the public accounts committee for study and remedial action.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I hope that when the public accounts committee is set up by the house the committee will address itself to a study of the report of the Auditor General. I think that is a highly desirable course.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the minister a supplementary question. Will he assure the house that his friends on the committee will be asked to review the latest public accounts and not engage in historical research?

Mr. Fleming (Eglinton): Mr. Speaker, I hope all the members of that committee are my friends.

Mr. Martin (Essex East): All the members of the house are your friends.

PIPE LINES

REQUEST FOR DOMINION-PROVINCIAL CONFERENCE TO CONSIDER LEGISLATIVE AMENDMENTS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce arising out of the submission made to him the other day by the Saskatchewan resources minister, Mr. Brockelbank, with regard to certain proposals made in the preliminary report of the Borden royal commission.

Can the minister say what consideration has been given to the request of the Saskatchewan government for the calling of a federal-provincial conference to determine what amendments should be made to the Pipe Lines Act and pipe lines acts in the various provinces so as to define the authority of various governments in this field?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I met with the resources minister, Mr. Brockelbank, of the Saskatchewan government some time ago, and he presented various proposals to us in connection with the oil and gas industry. We have under consideration all the proposals that he presented in the representations and in the brief which was handed to us in June of last year. There will be ample opportunity to discuss all the problems with which he and others are concerned when the legislation concerning the proposed energy board is before the house.

Mr. Argue: A supplementary question. Can the minister answer that part of my question which asked whether consideration was being given to a federal-provincial conference to deal with the general question of jurisdiction?

Mr. Churchill: I did say, Mr. Speaker, that every consideration is being given to the proposals put forward by Mr. Brockelbank.

CIVIL DEFENCE

TORONTO—REPORTED DECISION TO LIQUIDATE ORGANIZATION

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of the metropolitan Toronto resolution to liquidate its civil defence organization unless it received direction from Ottawa, will the minister make a statement to the house some time this week?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I have intimated that I intend to make a statement to the house in a comparatively short time.

Mr. Hellyer: A supplementary question, Mr. Speaker; within a few days?

Mr. Monteith (Perth): I would not like to pinpoint the exact date, Mr. Speaker.

COMBINES INVESTIGATION ACT

BEER—CURRENT POSITION WITH RESPECT TO PROSECUTION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to address a question to the Minister of Justice; I notice he is in his seat. Can the minister inform the house what is the current position with respect to the prosecution being instituted against Canadian Breweries Limited for alleged infractions of the combines laws?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I thank the hon. member for his notice of this question. I really have nothing which I am in a position to give to the house by way of information at this time in addition to what I have said on previous occasions. I can only confirm that an indictment is being prepared for presentation to the grand jury.

Mr. Howard: A supplementary question, Mr. Speaker. Is it correct that those proceedings are being entered into with the feeling that the crown does not expect to win the case but rather—

Mr. Speaker: Order. I am sure the hon. member does not expect an answer to his question.

Inquiries of the Ministry

Mr. Fulton: The hon. gentleman knew his question was out of order, but of course it requires an answer because of the way he put it. I can only assure the hon. gentleman that his suspicions are exactly the kind of suspicions I would expect a member of the C.C.F. party to entertain.

LABOUR CONDITIONS

BRITISH COLUMBIA—STATEMENT ON REQUEST FOR CALLING OF PROVINCIAL-MUNICIPAL CONFERENCE ON UNEMPLOYMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, yesterday the Leader of the Opposition (Mr. Pearson) asked whether I had received a telegram from Mr. O'Neil, secretary treasurer of the British Columbia federation of labour, regarding the unemployment situation in British Columbia. At that time I said I did not have any information on the subject because it was delivered to my office, apparently, just prior to the opening of the house. On my return to the office I found that such a telegram had been received. I think I should point out to the hon. gentleman that in this matter, as in others, this government has already undertaken the action which is being recommended in the telegram.

Last July, through the initiative of the Minister of Labour, such a conference of municipal and provincial governments was held, bringing together in Ottawa provincial ministers of labour, representatives of municipalities across Canada and labour leaders in the leading labour organizations. Later at the federal-municipal conference the question of unemployment was again discussed and dealt with. One of the several results of these conferences was the municipal incentive program, which is now before the house in the form of a supplementary estimate.

The Minister of Labour has indicated the success of this program, which has already involved direct employment for some 20,000 men across Canada and indirect employment for many thousands of others. Moreover, the figures relating to registrations for employment in British Columbia are some 12,800 below last year, another indication of the success of his efforts in that direction.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—STATEMENT RESPECTING LIQUOR RIGHTS IN BRITISH COLUMBIA

On the orders of the day:

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, yesterday the hon. member for Skeena (Mr. Howard) repeated the question he had asked me on January 23. I have in the meantime inquired within the department. I find that no representations such as those he described have been made to the department.

NATIONAL PARKS

TERRA NOVA—INQUIRY AS TO CHANGE IN EMPLOYMENT PROCEDURES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I may ask the Minister of Northern Affairs and National Resources if any change has been made since the end of last session in the employment procedures in Terra Nova national park. If so, what is the nature of that change?

Mr. Bell (Saint John-Albert): Order paper.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, no changes have been made to my knowledge in the procedures adopted in Terra Nova park. I would like to thank the hon. member for making representations to me to see that certain people he knows got employment there.

Mr. Pickersgill: I would like to ask the minister whether the department is in fact carrying out the undertaking which was given by the previous government, and which he repeated to the provincial government, with respect to employment in the Terra Nova national park?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, in the last session I made it very clear to the hon. member that we had repudiated entirely the callous and somewhat brutal policy of the previous administration for the hiring of people in the national parks. In relation to Terra Nova park I have received no complaints from that district. The needs of all people, regardless of politics, are being given fair consideration in getting that employment.

TRANSPORT

PAYMENT OF DEMURRAGE ON BOX CARS OF GRAIN

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the recent decision of the Supreme Court of Canada to allow the railway companies to levy demurrage on box cars of grain at terminal elevators, in the light of the fact that delays in unloading are often due to the action of the railways rather than any failure of grain company unloading facilities, and in view of the consequent further serious reduction in the price of grain to producers as a result of

this action, has the government given consideration to an amendment to the Railway Act or other appropriate means to prevent such a charge being levied?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I want to thank the hon. member for giving me notice of his intention to ask this question. This is one of the many problems relating to railway rates and the position of the railways generally which is receiving the active attention of the government.

NATIONAL HOUSING ACT

AMENDMENT INCREASING AGGREGATE AMOUNT AVAILABLE, ETC.

Hon. Howard C. Green (Minister of Public Works) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the National Housing Act, 1954, to increase from $750 million to $1 billion the aggregate amount that may be paid out of the consolidated revenue fund under subsection 1 of section 22 of the act, and to remove the limitation on the amount thereof that may be advanced to the corporation for the purposes of subsection 1 of section 11 of the said act, and to provide further for certain changes in connection with the administration of the act.

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

Mr. Green: Mr. Chairman, this is a resolution preceding a bill to amend the National Housing Act. Hon. members will notice that the resolution covers a proposed increase from $750 million to $1 billion in the aggregate amount that may be paid out of the consolidated revenue fund under subsection 1 of section 22 of the act. It also provides for the removal of the limitation on the amount that can be advanced to the corporation for the purposes of subsection 1 of section 11 of the act, and in addition provides for certain other changes in connection with the administration of the act. I propose today to deal first with the increase in the money available under subsection 1 of section 22 of the act.

It will be remembered that when we took office in the summer of 1957 subsection 1 of section 22 made provision for an amount of $250 million. At the time about $100 million had already been used, and in view of the rapidly diminishing number of houses then being started and of the great need for homes for Canadians of moderate income, and also to help the house-building industry and to provide employment, we decided to use the remaining $150 million then available primarily for the support of a new policy which we described as a small home loan policy.

I do not need to go into all the details of that plan today. We set a limit on the size of house on which a loan could be made, that limit being 1,050 square feet for a house with three bedrooms. Furthermore, the method of making these loans was to have them handled through the various lending institutions. In other words it was in reality an agency plan.

As a result there was a great increase in the construction of small homes in Canada, and in December, 1957, we asked for an additional $150 million, bringing the total available under subsection 1 of section 22 to $400 million. In May of 1958 the house voted an additional $350 million, and that is how we arrived at the total sum of $750 million now available under the act. Mind you, this money was not all drawn for small home loans, because under this section we also finance limited dividend rental housing projects, and the section also provides for housing assistance in connection with primary industries.

As of January 30, 1959, a total of $677,956,-248 had been committed. That means that as of approximately a week ago there remained in the fund $72,043,752.

It is interesting to note that under the agency plan there was a total of approximately $280 million used. This, of course, is all for the small homes. We dropped the agency plan, by the way, last May and then adopted the policy of lending direct from Central Mortgage and Housing Corporation for these small homes. In addition, throughout the whole period, this crown corporation has been lending direct in the smaller centres in Canada, and many of these loans came out of the amounts I have mentioned. The total for direct loans by the corporation is $213,817,292. Perhaps I should give the exact figure for the agency loans, and it is $279,117,169.

The total figure for the limited dividend fund is $117,912,742, and of that $52,169,054 has been committed since January, 1958. Hon. members will notice that there is a further amount under that limited dividend plan, some of which was committed before we took office. Actually, the amount since January, 1958, is $52,169,054. Then for primary industry housing the total is $6,343,-519. We have not been making use of this primary industry plan at all. There may have been one or two advances when we first took over, but since then we have not been using money for this purpose.

Hon. members might be interested in noting that during the calendar year 1958 Central Mortgage and Housing Corporation committed $388 million for housing, and in the same period of time the private lending institutions, including the banks, committed $520 million. The result of the policy has

been that in 1958 there has been a tremendous increase in the number of housing starts. About a year ago I forecast with some trepidation that there might be 140,000. This, of course, would have been a record because the highest year before that was 1955 when there were 138,276. However, things have gone very well and I now have the final figures for 1958. They are even better than the announcement made last week or the week before in the house. The total number of starts was 164,632, and this is about 42,000 more than in the calendar year 1957. As hon. members will see, it is more than 26,000 above the record of 1955.

Completions for 1958 numbered 146,686. This again is a record and above the highest figure before, which was in 1956, namely 135,700. At the end of the year, there were under construction 88,162 houses. This, again, is a record, the previous high being 79,339. As I pointed out, one of the main objectives was to help create employment by this housing policy. There can be no doubt but that house-building in 1958 has set the pace for all activities in Canada. It has been in the forefront of the economic activity in Canada. We estimate that during the year there were probably 200,000 man-years of employment provided by on-site construction alone. This means about 400,000 jobs because it takes about six months to build a home.

Then, in addition, there have been all the jobs more remotely involved in the construction of housing units of various kinds. For example, there is the ground servicing of the land, the production, handling and transportation of building materials, bringing the total to about 400,000 man-year jobs. There are, as well, the men employed in getting out the logs, lumbering, the making of furniture and the equipment which goes into a home. By the way, I noticed that the vice-president of Simpson-Sears Limited, Mr. Morgan Reid, is quoted as saying a few days ago that these new homes represent a potential demand for furnishings and equipment estimated at $1,700 to $2,000 per house. Hon. members can calculate for themselves just what house-building has meant to Canada during the last year. I do not think anyone will quarrel with my submission that the government's housing policy has been largely responsible for this result which has been so beneficial to our nation.

In the United States there was also an increase in housing activity during last year. But in the United States they were much below their previous record which was made in 1955 just as the previous record in Canada had been in 1955. In 1955 they had 1,328,900 houses started and in 1958 it was estimated they had 1,170,000.

There has been some suggestion that too many houses were being built and that they would become a glut on the market. I have read that comment in some of the papers. This is a factor which we have had very much in mind during the whole of 1958. There would not have been much point in rushing the construction of small homes if there were going to be too many of them, thereby causing the whole market to be broken.

The figures for completed and unoccupied dwellings are as follows: December, 1958, 3,212. I may say this is for the whole of Canada and I would ask hon. members to keep in mind that this is after this record number of houses had been completed. In 1957 that figure was 2,764 or only about 450 more at the end of 1958 than at the end of 1957. In some centres there are actually less. For example, in the Toronto metropolitan area there was more housing going on in that year than in any other part of Canada. In December, 1958 there were 970 of these completed and unoccupied houses in the Toronto metropolitan area whereas in 1957 there were 1,146.

Then we have tried hard to increase the home building in the smaller centres of Canada. I would point out that the great demand is in the metropolitan areas. However, we have gone out deliberately to increase construction in the smaller centres. The Central Mortgage and Housing Corporation officials wrote to every municipality with a population of 1,500 and over pointing out what could be done, the facilities available in obtaining loans and offering to send an official to that municipality for the purpose of discussing the position with those holding office. We have had considerable success with that program as a result.

Of the housing starts in 1958 there were 56,673 in centres with populations under 30,000 compared with 49,673 in 1957, an increase of 13.78 per cent. Of the number of units approved under the National Housing Act in 1958, 19,471 were approved in centres with under 30,000 population compared with 13,488 in 1958, an increase of 44.4 per cent. In addition, the corporation got out special plans for very modest homes. A great many of those have been called for and a large number of these very cheap homes are now being constructed across the country.

Mr. Bourget: Has the minister the figure with respect to the small homes or cheap homes, as he calls them?

Mr. Green: For example, in 1958, 500 units built under the N.H.A.—there might be others not under the N.H.A.—were sold complete with land for $10,000 or under. Then the

report C.M.H.C. officials have goes on to point out that minimum houses are being constructed in various locations. For example, in Saint John, New Brunswick, a house complete with full basement, plumbing, heating and electrical wiring is to sell for $9,050, including $1,030 for land. This is expected to be the first of several such houses in that area.

At Chicoutimi one builder is erecting 25 houses for sale to be sold for $8,000, with $800 down and an N.H.A. mortgage of $7,200. Carrying charges are $57 per month including taxes. Serviced land is included in the $8,000 price at $800. This house includes a full basement, plumbing, electrical installations but no heating other than a space heater.

At Sault Ste. Marie a pilot house of this like price type is being constructed.

At Peterborough the Peterborough Lumber Company is selling a prefabricated housing package for $3,495. The plan resembles the C.M.H.C. plan and it is expected that the total cost of the house will run in the $8,000 to $9,000 range.

At Prince George and Dawson Creek in British Columbia 30 units are being built to C.M.H.C. design. The selling price is $9,500 including $1,000 for the lot and with plumbing, heating and electrical installations, and a full foundation.

Then negotiations are proceeding with other builders across the country for minimum houses.

Mr. Hellyer: Will the minister tell us the size of the house to which he refers?

Mr. Green: That is 848 square feet.

Then in Moncton, New Brunswick, one builder has for some years been building houses in a price range of under $10,000. In 1958 he completed 100 houses with prices ranging from $8,500 to $9,900, down payments from $650 to $900. While these houses bear no relationship to the C.M.H.C. plan they are minimum in size and they have complete plumbing, heating and electrical wiring and full basements.

At Saint John, New Brunswick, the same Moncton builder in 1958 completed 50 units to the same plans at slightly increased prices.

At Newcastle, New Brunswick, a builder has 9 houses under way at a cost to the purchaser ranging from $7,900 to $9,200. Land is included at $600. The down payments range from $700 to $1,000. Three of the $7,900 houses are built to a plan similar to the national home builders association budget research house.

I should like to say a few words about the people who have benefited by the small home loan plan. We find that the largest percentage is in the group with income from $4,000 to $4,999, the figure being 42.5 per cent. We find that 13.3 per cent are in the income group from $3,000 to $3,999; under $3,000, 0.3 per cent; $5,000 to $5,999, 23.9 per cent; $6,000 to $6,999, 11.1 per cent; $7,000 to $7,999, 4.5 per cent; $8,000 to $8,999, 1.9 per cent. You see that quite a few people with large incomes are building these small homes. Incomes from $9,000 to $9,999, 0.8 per cent; and incomes of $10,000 and over, 1.7 per cent.

Mr. Garland: I wonder if the minister would mind repeating the percentage in the $3,000 to $3,999 category?

Mr. Green: The figure is 13.3 per cent.

The small home loan plan has resulted in a benefit to a group with much lower incomes than are taking advantage of the ordinary N.H.A. insured loans. For example, with the insured loans the average income was $6,115. The average income for people benefiting under the small home loan plan is $5,146. The fact that quite a few people with high incomes are buying small homes keeps the average income up. This is a decrease in the average income as between—

Mr. Bourget: I am sorry to interrupt the minister, but would he please explain to the house how a man earning $3,000 a year can qualify? I am at a loss to understand that.

Mr. Green: This would depend on the size of the home he built. For example, some of the very small homes which I have mentioned which are being built in various parts of Canada could be purchased by someone with an income much lower than the person would require to buy a house, say, in Toronto.

Then dealing with the average cost of the home, an insured loan is $15,440; under the small home loan plan, $13,462. The average loan under the insured plan—

The Acting Chairman (Mr. McGee): I must apologize to the hon. minister, but I would remind him that his time has expired.

Some hon. Members: No, no.

Mr. Martin (Essex East): We must not interrupt his speech.

The Acting Chairman (Mr. McGee): With the consent of the committee the minister may continue.

Mr. Green: Thank you very much. I am giving many figures and it is a little difficult to hurry. I know all members of the house are deeply interested in this topic.

The average loan under the insured plan is $11,557; under the small home plan, $11,094. The average down payment under the insured

loan—and here is where the biggest difference is—is $3,638, but under the direct loan it is $2,373.

In addition, of course, to the homes, the money which we are asking to be replenished today is used for limited dividend rental units. There activity has been greatly increased during 1958 as well. Central Mortgage and Housing Corporation in 1958 made loans for nearly 7,000 rental units under the limited dividend section of the act, compared with 4,100 in 1957. These dwellings were built either for families of low incomes or for old people, and were constructed by private developers or non-profit organizations, and they received long term loans at comparatively low rates of interest through C.M.H.C. There are quite a few projects under this limited dividend provision set up by churches and service clubs, and with very beneficial results. This is a very praiseworthy type of activity. Largely elderly people are accommodated in the homes and the rents are very, very low. I think in most cases the provinces give a grant for such developments, and the officials of the corporation and the government are very keen on these projects.

In addition to that there are the limited dividend schemes promoted by individual builders or developers. The rents which they can charge are restricted. They are supposed to be kept within the range of the lowest third of the income groups; that is to say, the group of Canadians in the lowest third bracket of income. Otherwise, an applicant cannot qualify for a limited dividend loan.

Mr. Fraser: Could the minister say if the plan is available in every province?

Mr. Green: The plan is available in every province, but most applications are coming from Toronto and Montreal for some reason or other.

Mr. Hellyer: Where the need is greatest.

Mr. Green: There are none in Alberta or Prince Edward Island. I suppose the Alberta people are all so wealthy from oil that they do not need them, but in any event that is the picture.

Mr. Broome: Would the minister have any figures on that breakdown at all in regard to how much percentage-wise would have gone into Ontario and Quebec?

Mr. Green: I can get those figures, I have not got them at the moment. Therefore, I think, Mr. Chairman, that we have made out quite a good case for an increase in the funds available. I do not personally know of any better way in which a government can spend its money. Practically all of it is coming back. There are very, very few cases of foreclosure, just a handful. This policy is enabling young Canadians by the hundreds of thousands to acquire their own homes, and I think it is doing a great deal to strengthen the nation. Mind you, as I pointed out last year during the debates on housing, we are not anxious to get into the position where the government is putting up all the money for housing. This is an impossible position for any government to get into.

Mr. Bourget: You said that last year.

Mr. Green: It is still true. In May, when we changed from the agency plan to the direct loan plan by Central Mortgage and Housing Corporation we announced that we were going to be residual lenders only. This is the position we are in today, and this is the position we intend to stay in for the rest of the year. Loans will be made to prospective home owners who are unable to obtain loans from the approved lenders. In other words, they have first to go to the approved lenders, either the banks, the insurance companies or mortgage companies, and if they are turned down by two, then they can go to C.M.H.C. and apply for a loan. That loan may not be granted. Of course, there are cases in which an applicant would not be entitled to a loan. But the corporation is in a residual position. During the months of September to December inclusive of last year we also allowed builders to get 25 direct loans. This was done in order to make additional employment during the winter months. The money will also be used for limited dividend corporations and possibly for loans to companies engaged in mining, lumbering, logging or fishing.

One reason why housing has been so good in 1958 has been because of the splendid co-operation given by the lending institutions, the banks, trust companies, insurance companies and mortgage companies. They have all loaned out large amounts of money. Without such loans it would have been impossible to achieve this record. Hon. members will be glad to learn that they intend to put out about the same amount in 1959. Every January the officials of Central Mortgage and Housing Corporation call on the senior men in all these institutions to find out what their plans are for the year. The plans as announced for 1959 indicate that money will be available in roughly the same amount as in 1958 so there should be another excellent year in 1959 in the housing field.

Mr. Bourget: Is that your forecast?

Mr. Garland: Mr. Chairman, is the minister prepared to make a forecast again this year?

Mr. Bourget: You are a good prophet.

Mr. Green: I am getting a little wiser every month, I hope. I should like to pass the buck to the president of Central Mortgage and Housing Corporation but hon. members will notice that he shakes his head.

Mr. Bourget: He is a good man.

Mr. Green: There is no doubt of that. That brings up one other thought I should like to express today. This tremendous program has meant a great deal of work for everyone associated with Central Mortgage and Housing Corporation from the key men who are before me this afternoon right down to the employee last taken on. They have never before had anything like the amount of work they had last year. There has been practically no change in the number employed. I believe their public relations efforts have been excellent. I very seldom receive a complaint and, mind you, they are in contact with hundreds and thousands of people right across the country. At all times they have been dedicated to trying to help people solve housing problems. I am sure every hon. member will agree that it is not out of place for me to express thanks to the officials and all the employees of this crown corporation. They are doing a splendid job for Canada.

That is a very rough outline of the reasons for which we are asking the committee at this time to provide another $250 million.

Mr. Nugent: Mr. Chairman, may I ask the minister a question? I did not hear him distinctly but I thought I heard him say that there were no limited dividend projects for the province of Alberta. Did I hear him say that or did I hear him incorrectly?

Mr. Green: That is right, Mr. Chairman, but the officials now tell me they were wrong. There are some.

Mr. Nugent: I just wanted the record corrected.

Mr. Green: That is one time when the officials slipped.

Mr. Bourget: They have very much work to do.

Mr. Green: We believe that housing is of great importance in Canada. I would be very glad to have the suggestions of hon. members of this committee. The officials of the corporation would be very pleased to have hon. members go out to visit the head office and find out for themselves what they wish to know about the work that is being done. Last year I believe there were committees of members from some parties studying housing. We do not pretend to have all the answers but this is a vital activity of government and we would appreciate any helpful suggestions.

I should now say a word or two about the other amendments which are proposed. They will be designed to make National Housing Act mortgages as attractive as possible to private investors. Some lenders whose powers of investment extend to securities guaranteed by the government of Canada have felt that N.H.A. insured loans did not fall into this category because the insurance fund guaranteed only 98 per cent and not 100 per cent of the face value of the mortgage. We believe that by eliminating the 2 per cent reduction—it is commonly called the "2 per cent bite", I believe, in the business—the National Housing Act will permit trustees of pension funds, executors, trust companies and other private sources of investment to contribute to capital investment in housing.

Because of its extensive direct lending operations during the last 18 months Central Mortgage and Housing Corporation is developing a substantial mortgage portfolio. Under one of the amendments these mortgages would be available for sale to investors who are willing to invest in the housing field but who are unable to make loans themselves. The amendment proposes to permit C.M.H.C. to sell these loans to such private investors. I believe the corporation can now sell these loans to an approved lender such as a bank or mortgage company but it cannot sell the mortgages to any company which is not an approved lender. Under the amendment it will be possible to do that because Central Mortgage and Housing Corporation will be given the power to administer these particular loans.

Central Mortgage and Housing Corporation may wish at times to buy more mortgages. Under the present law it can use only the $25 million for that purpose. We are taking out the restriction on the amount of money the corporation can spend in buying mortgages from approved lenders. There is also to be a change which will increase from $125 to $150 the amount allowed in calculating the payment to an approved lender who has made a claim on the insurance fund. The basic purpose of the insurance feature of the act is to protect the mortgagee against loss in such a case. Experience has shown that the legal cost generally exceeds the $120 previously allowed. This change would not, of course, affect the position of the liability of the borrower who has defaulted on his mortgage account.

It would not be in order for me to go into any further details of these amendments at this stage but my remarks will have given hon. members an outline of what is proposed

by the legislation. Once again I should like to thank the hon. members for giving me the extra time required to make this explanation.

Mr. Regier: I wonder if the minister would answer a question at this time? Did I understand him to say that in the year 1958 Central Mortgage and Housing Corporation had committed $388 million and private lenders had committed $520 million? I want to get this accurate. Does the minister have the comparable figures for the year 1957?

Mr. Green: In 1955 the approved lenders committed $639 million and the corporation committed $18 million. In 1957, approved lenders committed $278 million and the corporation committed $235 million. I also have the percentages: in 1955, approved lenders, 97.4 per cent; Central Mortgage and Housing Corporation, 2.6 per cent; in 1957, approved lenders, 52.8 per cent; Central Mortgage and Housing Corporation, 47.2 per cent; 1958, approved lenders, 57.7 per cent; Central Mortgage and Housing Corporation, 42.3 per cent.

Mr. Garland: First of all, I should like to compliment the minister on the complete and comprehensive statement he has just given the committee and for that we are grateful. I may say that I think most hon. members regardless of where they sit in the house, would share with him in what he has said about the importance of house-building generally. I am very pleased to be able to say that the minister has shown a rather complete knowledge of his subject and we do appreciate the time that he has given us today. I am pleased to have the opportunity of paying this compliment to the minister because, as he may know, or at least I want him to know, he is one of my favourite ministers.

Another point I should like to make is that we appreciate the attitude the minister displayed in his statement to the committee and the absence to a great degree of political references and for that I wish to compliment him.

I should like to say that the Liberals have always—I think this applies, of course, to most parties—favoured more and better housing for our people. I do not think any of us has to take a back seat in that regard. So far as the Liberal party is concerned, we had a particularly proud record during the years we were in office.

I would like to congratulate the government upon its activities in the housing field in direct proportion to the degree to which those actions may have stimulated house construction and the economy in a period of economic slowdown.

There are a few questions that I had hoped we would have the answers to today. One of them, of course, the minister was kind enough to answer, namely how much money was available. I think he said it was something of the order of $72 million. That leads us to the next question. Will the funds that we are discussing today aid employment this winter? At the rate the money is being invested at the present time it seems hardly likely that the funds we are discussing today will have any appreciable effect on unemployment this winter.

Mr. Green: In this connection may I point out to the hon. member that it helps in this way. It gives the whole building industry and people generally the realization that it is the intention to maintain a steady supply of mortgage funds. This is a question of keeping the morale high. In that way it is of the utmost importance that the money be made available early in the session so that builders making plans and mortgage companies making theirs, and so on, will realize that this is to be another good year in housing, and therefore there will not be any holdup.

Mr. Garland: I appreciate the remarks the minister has made. The point I was trying to make was that there is a substantial amount of money available at the present time, so that the money we are discussing today, added to that fund, does not in that sense aid projects that might at this moment of time be held up. That is the only point I wanted to make.

There is a third matter with which some of us are concerned, namely precisely how much of the money we are discussing today will be put into low-priced houses and into low-rental houses? Precisely what will be the percentage?

The fourth point is, what plans, if any, does the government have to help counteract the greatest problem in the house-building industry, namely the ever-soaring cost of land? I would have liked to hear the minister say something on that point?

The fifth point I would like to make at this time is that we would have appreciated a forecast from the minister because, in spite of what he might say and the arguments he might advance, the substantial sums of money that we are discussing now that the government through its agency, Central Mortgage and Housing Corporation, is putting into the construction industry mean that they are continuing to take over a larger part of the financing of house-building. A statement in that regard, as to the objective of the government, the number of starts that might be made in 1959, would be helpful.

Before going further, Mr. Chairman, I should like to take the opportunity that this discussion affords me to offer my congratulations and those of the hon. members on this side of the house to those members of Central Mortgage and Housing Corporation who have over these many years done such an excellent job.

At this time I should like to point out that the official opposition supports in the main the government's activities that have a beneficial effect on the number of housing units produced. However, having regard to the large number of starts in 1958, one cannot help wondering how much is due to the fact that the construction industry, in many fields, was depressed; second, that the many millions poured into housing by the government were obviously to bolster our sagging economy. However, I do not wish to minimize the results in any way and I will not pursue this point further at this time.

When we read the resolution before us it is evident that the government has three broad purposes in mind: first, to increase from $750 million to $1 billion the amount that may be paid out of the consolidated revenue fund under subsection 1 of section 22 of the act; second, to remove the limitation on the amount that may be advanced to the corporation for the purposes of subsection 1 of section 11 of the said act; and, third, to provide for certain changes in connection with the administration of the act.

May I say at once that we in the official opposition will at this stage support the resolution which in effect gives the government leave to introduce the bill. We will support the government in all its activities in this important field that will, in our opinion, have the effect of making better housing available to our people. At the same time we will take advantage of the opportunities afforded in this debate to point out some of the danger signs that we see with respect to the situation generally and the government's activities in particular.

Speaking directly to the resolution, I should like to say a few words about part 1, the proposed increase from $750 million to $1 billion. Section 22 was first enacted as part of the National Housing Act in 1954. As originally enacted, section 22 established a limit of $250 million on the amount that might be paid to the corporation out of the consolidated revenue fund. This amount was increased from $250 million to $400 million in December, 1957.

At this point it might be of some interest if I were to refer to two conflicting statements made by the Minister of Finance on this subject. The first statement was made at Murray Bay in June, 1958, when he stated:

> During 1957, however, the competition for loan funds became less competitive as the year progressed and more important, in August and again in September government funds in a total amount of $300 million were made available to augment loan funds supplied by insurance companies, banks and private lenders.

The second statement of the Minister of Finance to which I should like to refer was made at the Canadian Club early this year, on January 5, I believe. At that time he said, dealing with the same period of time:

> In the second half of 1957 the competition for loan funds from other investment outlets became less intense, and over half a billion dollars of government funds were made available to augment housing loans supplied by the private lenders.

An examination of the facts would indicate that in August, 1957—I think the minister confirmed this again today—about $100 million of the $250 million provided for under section 22 of the National Housing Act had been used and the amount was increased by way of an amendment passed in December, 1957. The amount provided for under section 22 was increased from $250 million to $400 million, so that the first statement by the Minister of Finance that $300 million were made available is correct but not the statement made at the Canadian Club. A further increase from $400 million to $750 million was made early in 1958 and the proposed increase now brings the limit to $1 billion.

Section 22 gives the minister the authority, with the approval of the governor in council, out of the consolidated revenue fund, to (a) advance moneys to the corporation for the purpose of making loans under part 2 of the act, which deals with housing for rental purposes and land assembly, and under section 40, which enables the corporation to lend where loans are not available; (b) to reimburse the corporation for loss sustained in respect of loans made under part 2 of the act, that is, houses for rental purposes and land assembly; (c) to advance moneys to the corporation, not in excess of $25 million, for the purposes of subsection 1 of section 11, which enables the corporation, either out of its reserve fund or out of moneys appropriated by section 22, to purchase all right or interest of a holder of an insured loan, and to make loans to a private lender on the security of an assignment or an agreement to assign an insured loan. Up to the present time the amendments which have been adopted have related only to the increase in the amount that may be made available to Central Mortgage and Housing Corporation and not to the purpose for which this amount may be used.

Without in any way minimizing any action that the government may have taken with respect to housing I think it is only fair to point out that in the past year the government has borrowed very substantial sums and that it is obvious that some of this money was provided by investors who might otherwise have used the funds in question for mortgage investment. In a review of Canadian housing statistics, third quarter, 1958, it is stated that the lending institutions in the first nine months of 1958 approved mortgage loans of all kinds amounting to nearly $900 million, more than in any corresponding period of any previous year. I think it is only reasonable to suggest that they might have lent substantially more if they had not been asked to subscribe to the government's bonds, which increased the national debt. Quite obviously, to the extent that the government has borrowed money from institutions which might themselves have used it for mortgage loans, Central Mortgage and Housing Corporation and through it the government have taken over the function which might have been fulfilled to a larger degree by private and institutional lenders themselves.

Up to the end of the third quarter of 1958 Central Mortgage and Housing Corporation had approved mortgages amounting to nearly $700 million so that it was left with this relatively small fund to which the minister referred as being approximately $72 million. Consequently, we believe that we cannot object to increasing the amount at its disposal from $750 million to $1 billion as the corporation should be in a position to speed up or slow down its lending activities, having regard at all times to economic conditions and the desirability of encouraging further new residential construction.

There are two aspects of the problem to which I think it is appropriate that some consideration be given and upon which some comment might be made during this discussion. First, whatever amounts are lent by Central Mortgage and Housing Corporation in excess of repayments received on loans already made by it represent additional new money which must be raised by the government. In other words, the government's cash requirements will be increased by the amount of any new money which is advanced to Central Mortgage and Housing Corporation.

As a member of the opposition I am in no position, at least at this stage of the session, to know what the over-all cash requirements of the government will be for 1959-60. However, I think it is correct to say that the experience of the government since the beginning of the current fiscal year in raising new money is such that it ought to be particularly conscious of the dangers inherent in increasing its cash requirements at this time. As we know, since last May the government has borrowed very substantial sums but only a small part of its requirements has been represented by long term loans subscribed to and paid for out of savings.

The government may attempt to point to the success of the last savings bond campaign but this is hardly the type of money that should be borrowed for mortgage financing. Canada savings bonds are demand obligations and not long term bonds. I believe I am correct in saying that of all the large quantity of bonds sold in 1958 only $350 million represent long term bonds. There is a very direct link between the amounts advanced to Central Mortgage and Housing Corporation for mortgage investment and the cash requirements of the government.

The second aspect in connection with any governmental mortgage program is that the government itself may not be as sensitive to the need or demand for new housing as individual lenders may be. The individual lenders are risking their own money and they have to be right. They cannot afford to be making loans on houses that are not going to sell. I make this comment only to point out that the government's view with regard to mortgage lending may be influenced by purely economic factors, that is, the desirability to keep the industry in high gear in order to provide employment. It should be pointed out that inasmuch as the government itself is a lender, losses resulting from overexpansion of the supply of a certain class of houses will fall not upon the shoulders of the government itself but upon the shoulders of those who build them or buy them.

In other words, there are two important factors to be considered. The first is the desirability of providing employment, and the second is the advisability or inadvisability of constructing a further supply of houses within any given period. The choice of appropriate policies, and the turning on or turning off of lending operations are responsibilities that must rest with the government itself.

During the past six years very substantial progress has been made, and I think it is only fair to say thanks to aggressive Liberal policies, including the adoption of the National Housing Act, 1954, and the introduction of the chartered banks into the mortgage lending field. In that period during which the Liberals were in office very substantial progress was made. I know the Conservative government will be quick to interject that more spectacular progress was made in

1958. However, I would remind the Conservative government that what was accomplished under the Liberal administration was done at a time of intense activity in the field of non-residential construction, when expansion of our natural and manufacturing resources was in most cases overtaxing our productive capacity.

I think it is only fair to say that what was done by the Conservatives in 1958 was done at a time when industrial activity had slackened off. During the six-year period from 1953 to 1958 inclusive net family formations amounted to 513,200, while 724,-700 dwelling units were built. The estimated figures for 1958 show approximately 70,000 more homes were built than new families formed. This is a condition which clearly requires careful attention. I think that it must be obvious that conditions in one urban area will not necessarily correspond with those in other areas. I would suggest, for that reason, that mortgage lending activities of Central Mortgage and Housing Corporation must be carefully watched. I would point out that this is a government responsibility and, as I see it, the responsibility of the opposition should surely not go beyond indicating at this stage the dangers that may be encountered.

The second phase of the resolution calls for the removal of the limitation on the amount that may be advanced to the corporation for the purposes of subsection 1 of section 11 of the act. It is not my intention to deal with this aspect of the proposed legislation at the resolution stage. At the moment, I can see no objection to giving Central Mortgage and Housing Corporation more resources so that it can be more active in buying and selling insured loans, although I think that perhaps we might reasonably question the desirability of such operations being carried out at the present time. I do not think this is a time when the government should be borrowing from investors, or worse still from the Bank of Canada, in order to acquire the mortgage investments of private lenders. However, lest there be any misunderstanding, I hasten to say that we welcome any legislation that would have the effect of making mortgage investments more negotiable. I would say that this is part of Liberal policy. I would refer to page 31 of the "Statement of Liberal Policy, 1958", where we stated that we stood for measures to make it easier for people to own their own homes, and one of the points emphasized reads as follows, "by further increasing the supply of mortgage money".

All of us realize that one of the greatest difficulties in the house-building industry can be the lack of a steady flow of mortgage funds which permit longer term planning and a more or less continuous flow of construction. This continuity of construction can mean reductions in builders' overhead and, as a result, would have the effect of lowering the cost to the house-buying public. There are many aspects of housing that I should like to discuss, but there will be other opportunities as this proposed legislation progresses through the house.

I would, perhaps, remind the government of the charges being made in some quarters that the National Housing Act money is being squandered on high priced homes which are a glut on the market. The minister referred to those charges today. Charges are continually popping up in our newspapers that luxury homes are being built with money supplied by the taxpayers. Such charges were made quite recently when the government announced that another $250 million was to be provided.

I mention this only to bring me to my next point. I am sure the government is well aware of the fact that there is an ever increasing need for low priced homes. The Canadian housing statistics report, third quarter, 1958, states on page 16 that the average borrower's income was well over $5,000 in the case of small home loans and nearly $6,000 in the category of other loans. It must be recognized, as I mentioned in this house on an earlier occasion, that the facilities of Central Mortgage and Housing Corporation, in spite of the good work it has done, are not meeting the needs of approximately 50 per cent of our people for housing. I am referring now to the 50 per cent of our people on the lower side of the income scale. I had hoped that the government would say more today concerning plans for filling this great need for housing for those people whose income is less than $4,000 per year. After all, the average weekly earnings in Canada today are approximately $70 per week. What greater proof is required to establish the fact that our housing program, despite the large number of starts that have been made over the years, today is not adequately meeting our requirements in the low priced field.

Personally, I would have liked to have seen a substantial portion of this $250 million referred to in the resolution earmarked specifically for low priced homes. I think, too, many Canadians will be disappointed to learn that the government does not propose any lowering of the interest rate on low rental housing projects. Here again is an opportunity to do something constructive toward meeting the need for housing among our lower income groups.

I should like at this point to refer very briefly to a newspaper article that appeared in today's Montreal *Gazette*, having to do with a low cost housing project proposed for Cuba. I am not going to delay the house by reading the article, but the meat of the story is that a group of Montreal businessmen propose to invest something of the order of $80 million to $100 million in Cuba in low cost homes. Surely there must be something wrong when in view of the great need that exists today in this country for low cost housing that money is not being put to work in this country. Other members on this side will be dealing with other aspects of the proposed legislation. I will close by saying that we will support the resolution, and do everything possible within the limits of our responsibilities as an opposition, to facilitate its early passage through the house.

Mr. Martin (Timmins): The item before the house at the moment, Mr. Chairman, is certainly one of considerable importance and weight. I think this has been demonstrated by the fact that both the Liberal and C.C.F. parties put up for their first speakers the weightiest men they have in their groups. I should like to add my voice to that of the hon. member for Nipissing in expressing my personal respect and the respect of this group of the minister for the job he has done in the past in the housing field. This is one branch of government activity that has certainly shown a marked improvement in the last year. This improvement has provided benefits in other fields as well, such as the field of employment, the supplementary industries and that sort of thing.

I believe the minister was being a bit modest when he gave credit for this improvement to the government. I feel that quite possibly the minister could take more credit, because had the credit been due to the government I am sure other branches would have shown a similar increase. Unfortunately, they have not done so. I believe, therefore, the minister could claim more credit than he appeared to wish to take at this time.

In spite of the progress and the good things we have heard about the minister and his department in this field, it is the job of the opposition to point out the weaknesses. That is what I intend to do this afternoon. The minister has outlined very well the benefits accruing from this particular project and I think that my duty should be to point out some of its faults and weaknesses. I think that the No. 1 fault with this program is that it does not look far enough ahead. I know that "planning" is a bad word to use in this House of Commons. However, I think it is a good one. When the government have talked so much to the Canadian people in the last year about this long range planning for this northern vision, I think they should realize that in this field of housing there should be some long range planning as well or else we shall find that the housing situation, as it develops as the years go by, with the problems that we meet with now and will meet at an increased rate in the future, will certainly not fit into that vision that has been painted for the Canadian people.

I also believe that another fault which, if it is not equally important in connection with this program is certainly extremely important is the fact that it is a National Housing Act. However, unfortunately, at some place along the line we seem to have lost sight of the goal and we find that the secondary aspects of this program appear to be coming first in order instead of the way they should be. To back this up I should like to refer you, Mr. Chairman, to the words of the minister uttered just a few moments ago when he said that the prime purpose of this program was to help create employment. It is true that employment is extremely important and that it is badly needed at this time. However, the fact still remains that this is a housing act, not an employment act. I think possibly that has been one of the things wrong with this act which has prevented it from being as great a boon to the Canadian people as it could possibly be. In fact, it appears that to a great many people of this country employment and business interests come ahead of the actual goal of housing itself which certainly should be the goal under this act. This tendency is pointed out in the report of the royal commission on Canada's economic prospects, "Housing and Social Capital", at page two. I should like to read from this report in order to point out this particular point. I read from the bottom paragraph as follows:

> Thus, when people want money spent on social capital, they will as often as not attempt to justify the outlay on the grounds of usefulness to industry. University spokesmen, for example, may suggest that a timely industrial donation now will yield good dividends of scientists, engineers and executives in the future.

Then on the next page it goes on to say this:

> Indeed, one might argue that it is the industrial component of capital which is ancillary to the social, rather than the other way round. Industry and industrial organization are, after all, primarily a means to an end. But social capital and its associated institutions are both this and more. They relate, in part, to what is meant by civilization in the highest sense; they are worth having in themselves; they justify industry even as they facilitate it.

I think that is one thing that we are possibly losing sight of. I think it is certainly a thing to which we should give more thought. I

think the government should take this matter into consideration and should realize that, after all, this act is basically meant to provide housing for the Canadian people who need it and not necessarily merely to provide industry with a shot in the arm or to relieve unemployment when it reaches alarming proportions.

The realization of this need of planning, this need of long range thinking on this matter, is not something that is confined necessarily to this group. As far back as 1956 we find that the former minister of public works, namely Hon. Robert H. Winters, as reported at page 3301 of *Hansard* of April 26, 1956; had this to say:

> The growth of cities has placed new demands upon the hearts of urban areas, with increasing traffic, growing commerce and a changed pattern of living. But during the last 10 years the prior need to build new suburbs did not permit any concerted action to conserve and replace the existing stock of the nation's housing.

Even then, the former minister realized that there was some definite need of some long range planning and study in connection with the problem of housing in our country. But unfortunately, to recognize something and to do something about it are not necessarily always one and the same thing. The past government and, unfortunately, this government on some occasions have come out and recognized problems but have not proceeded to do much about them. In order to give some further proof that planning is needed I should like to refer again to this report of the royal commission at page 31 where we find the following:

> Thus, according to the forecast, the 1980 population of Canada would be 79 per cent urban, compared with 62 per cent in 1951. Montreal and Toronto might have populations of between 2.5 million and 3 million each, and Vancouver might have attained something between 1 million and 1.5 million.

This is where these problems are really going to crop up. We have seen them in the past; we are seeing them today and we are going to see them in the future with increasing frequency unless some far-reaching view is taken of this matter. All that a steady, progressive increase in the money for housing is going to do is to create crisis after crisis in our cities throughout this country as our population swings more and more from rural areas to urban areas. Unless some thought is given to planning for this change we are going to find ourselves in trouble in city after city across the country. This point is clearly brought out in this report of the royal commission to which I have made reference. I should like to quote from the remarks of Mr. Anthony Adamson, as found at page 40 of this report. He says this:

> Now we who live in the suburbs are, in the Canadian ethos, the cream of the crop. We are the worthwhile people. We are the solid Canadian way. In other words, we believe in home-ownership and the single-family detached house. To own a single-family detached house with $11,000 on a N.H.A. mortgage requires an income of $3,986 a year. The income of the average worker in a factory is $3,104 a year.

I might say, that he is here referring specifically to the Toronto area. The quotation continues:

> So the average worker can't very well be a home-owner and the cream of the crop. He has to live in an old house or part of an old house on Ossington and drive out of Toronto to a factory in Etobicoke to go to work, while a decent home-owner in Etobicoke has to drive in to an office in Toronto to go to work. This sport is called "Rush Hour" and it gives more people cardio-vascular-renal disease than fluoridation. It is also played on strips of concrete which cost a million dollars a mile to construct.

That points out, Mr. Chairman, some of the problems with which we are continually going to be faced unless some thought is given to this aspect of the policy. The principle is that housing is to help industry rather than industry helping housing. It means that we are using the goal to the road instead of the road to the goal.

Another aspect of this item which I think should receive some criticism is the fact that it creates inequalities for the people of this country. The hon. member for Nipissing dealt with that briefly. It was also shown in the last item I quoted from this report that by far the greatest majority of the working people of this country cannot qualify to make use of this National Housing Act in its past and present terms.

I will grant that the government did in the last session take one little step in the right direction when they introduced the minimum house, but again we had inequalities. For example, in the part of the country which I come from the standards of this minimum house do not meet with the local standards required by the municipalities. In an area of extreme weather temperatures you cannot get away with a house as outlined in this particular phase of the act. In fact we find, in some estimates which I have seen that close to 90 per cent of working people of this country cannot qualify under this particular act, and that only the top 10 per cent of the income bracket can take full advantage of it. As a result, as the hon. minister has pointed out today, reports have come to light that there is alarm in certain quarters that there is going to be a glut on the market with regard to this particular 10 per cent of the income bracket of the people of this country.

I have here a copy of the Montreal *Gazette* for Wednesday, January 28, and I would like

to read one paragraph from an article by Mr. John Meyer, the financial editor. He states that:

> Towards the end of the year, the number of houses purchased began to decline. A definite surplus was apparent at the year end.

Now as far as that particular item is concerned, I am sure the hon. minister is more familiar with it than I am myself. I merely want to point out that there is a feeling in certain quarters across this country that this particular group who have been able to take full advantage of this act in the past is approaching the position of having a glut on the market, which is all the more reason why the government should look for ways and means to make the housing act available to the lower income bracket people who need accommodation.

Then we also have another aspect of this act which I think leads to inequalities, that is, inequalities as far as participation by various provinces in this country is concerned. To illustrate that I have here a copy of the 12th annual report of the Central Mortgage and Housing Corporation, and on page 39 of this report there is a table showing housing units under this act which have been completed by the provinces in 1957. These are, apparently the latest figures which they have to date. I will not read the whole table, but I would like to refer to two particular provinces, the province of Ontario and the province of Newfoundland. We find that in Ontario in that year the housing units started under the act amounted to 25,450; other than under the act, 22,289. This means that in the province of Ontario there were more housing units started under the act than with money provided from other sources. For that same year, in the province of Newfoundland there were only 239 housing units started under the act, while from other sources there was a total of 906. There is a variation in other provinces across the country, and I think there is a very good reason why this is so. I think it can be easily found by a comparison of the wage rates in various provinces across this country. It is borne out in the "Canadian Statistical Review for 1958", where we find that the average wage rate in Ontario is $73.40, while down in the maritimes, for example in the province of Nova Scotia, it is $58.65.

I think that points out very clearly that the act, as presently constituted, is not fair and equal to all Canadians across the country, and I think that before it can be so some further thought, study and action is required in regard to this act before it becomes equally applicable and of equal benefit to all Canadians.

[Mr. Martin (Timmins).]

Now there is another aspect, Mr. Chairman, which I think needs some attention. I suggest there has been far too much in the past, particularly in the field of low rental houses, of old-fashioned buck passing between provinces, municipalities and the federal government. One would help the other if the other helped him, and if the other helped him, and so on. It goes round in a merry circle and finally ends up in the lap of the municipalities, and unfortunately most of the municipalities are not in a position to do anything about it. I think the federal government should take a little more lead in this particular field in trying to look after this aspect of the housing problem.

There was another point mentioned by the hon. member for Nipissing and that was the complete lack of, I might even say, recognition of the high cost of land for housing. There was no hint on the part of the government, or in the minister's presentation, that the government was taking any notice whatsoever of land profiteering, the dreadfully high cost of real estate which in many areas is hamstringing, or badly crippling, our housing program and our housing needs. I believe that this is something which is of vital importance. I suggest that the federal government, who of course have to draw their money from the people of Canada, should be particularly careful that grasping and unscrupulous individuals across the country do not take advantage of any projects on which they embark. The federal government has a duty cast upon them to do everything in their power to ensure that the maximum benefit to the maximum number of people is gained from projects such as this.

Now, Mr. Chairman, other members in this group will be dealing with the other particular aspects of this item. There is one more point I should like to make before I conclude my remarks. This again ties in with what I said first about the need of taking a long range view with regard to housing needs and problems in Canada. It relates also to the conservation program which apparently is being pursued with such vigour by the Minister of Northern Affairs and National Resources in the north country.

I believe the time has come when we must pay some attention to conservation in the southern regions of Canada as well and I refer particularly to choice gardens and fruit lands in the southern part of our nation which year by year are being eaten away by industrial expansion and by housing and other developments. There are many areas

in this country which cannot produce the fruit and vegetables which will some day be required by our increased population as envisaged and referred to so often by the Prime Minister and the Minister of Northern Affairs and National Resources and it behooves us to take steps to protect the land that is suitable for the purpose of growing fruit and vegetables. It is distressing to see areas like the Niagara peninsula which is a veritable garden being used purely for industrial purposes. Unless some action is taken all the desirable fruit and vegetable growing areas of Canada will be the site of industrial expansion when there are other sections of the country not suitable for growing things where the industries could be located. The great vision of Canada with a population of between 50 and 100 million in the future will never be realized unless some care and planning is undertaken to ensure that we will be able to take advantage of the resources of our country.

Mr. Broome: Mr. Chairman, before I make a few observations on this resolution I should like to join with others who have spoken before me in paying tribute not only to the officials of Central Mortgage and Housing Corporation who are present with us today but also to their staffs across the country. I have had some dealings with the employees of C.M.H.C. and I have found them to be dedicated people who are doing a tremendous job for the good of this country. Last year it was my privilege to serve on a housing committee. We visited the headquarters of the corporation and were shown their activities. We were given every assistance in understanding their problems. I can assure this committee that the government is indeed fortunate in having people of the calibre it has handling the affairs of C.M.H.C.

I was very much interested in certain figures the minister gave us particularly as they applied to the arguments advanced by the hon. member for Nipissing. It appears that in 1955 C.M.H.C. mortgages represented 2.6 per cent of total mortgage monies loaned and in 1958 it increased to 42.3 per cent. The minister told us the total housing starts in 1958 were 164,642. According to my figures this represents an increase of 18 per cent over the previous record year of 1955. It is interesting to compare these figures with comparable figures for the United States. Housing starts there were down 13 per cent in 1958 from 1955.

As I understood his remarks the hon. member for Nipissing attempted to say it is all very well for the government to provide mortgage funds but the greater portion of these would have been available from private sources in any event but I believe these figures indicate this is not the case. It has only been the action of this government that has enabled the housing program to contribute to our economy in the way it has.

I recall attending the national home builders convention in Toronto in 1957 which was addressed by the Minister of Public Works. At that time he set a target of 140,000 housing starts for 1958. The projected number of starts for 1958 was 90,000. The builders who were assembled and who had come from one end of Canada to the other, out of deference to the minister, did not state their views as bluntly as perhaps they might have done but the general consensus was, "well, this is impossible." But, as the minister has informed us the actual figure for 1958 was over 164,000 housing starts.

The employment this program has provided in Canada cannot be too strongly emphasized. The construction, supply of materials, and furnishings represented by this program in terms of dollar value has the greatest labour content of any activity one could imagine and not only does it have the greatest labour content per dollar expended but it represents the greatest Canadian content. From every point of view, therefore, the house-building program has been an aid and impetus to the economy of the country not only in terms of providing on-site work in some thousands of municipalities across the country but also in terms of providing a backlog of orders for manufacturing centres in the industrial heart of Canada.

In view of this I can readily sympathize with the opposition in its attempt to find some weakness to attack with a view to offering constructive criticism. As far as I can ascertain hon. members of the opposition are trying to do something that is practically impossible. I suggest that they give whole-hearted support to this measure and have very little more to say so that it may be put through and we may get on to something else where the ground may be somewhat more fruitful for them.

I am indeed pleased that amendments are being introduced to permit an expansion of the activities of Central Mortgage and Housing Corporation particularly in the mortgage field. They will now be able to buy and sell mortgages. The next step might be to enter the mortgage bond field. They could have a ready market across the country as is the case in the United Kingdom. The present amendments represent a long step forward and should relieve the corporation of some of the difficulties it has encountered in securing sufficient monies from various sources in the country.

The same type of thinking, of course, was behind the amendment which raises the insurance value from 98 to 100 per cent. However, I am particularly interested in the limited dividend type of housing as handled by the corporation. Total monies spent to date in that field were $117 million of which $52 million have been expended since January 1, 1958, comprising some 7,000 rental units. This was an increase from 4,100 rental units in 1957. As far as I can determine there was little activity in this field prior to the last two years. In my opinion this is a field which should invite development and expansion. I believe the corporation will have extra revenue because of its increased activities. It may well be that the corporation could establish a promotional or developmental section of the organization which could advise service clubs, church groups and others how they could participate in the limited dividend type of housing.

There is a growing need for this type of accommodation. In addition to projects for old age pensioners there is a severe need for housing for low income groups which must be partially subsidized in order to have reasonable housing. This is the field in which there is much yet to be done. I give the corporation full credit for the rather fantastic increase in the number of units which have been completed in the last few years; but I do suggest that it is in this area that a great deal more might be done by pushing the people who can do it. I know that the corporation cannot initiate it. All I am saying is that the corporation can help other people to initiate it.

I was rather struck by the fact that the great proportion of money spent in this field has been spent in the central provinces, where perhaps greater activity has taken place and where they may be closer to a certain amount of persuasion from the head office of Central Mortgage and Housing Corporation.

I was rather surprised to hear the hon. member for Timmins say that the corporation's standards did not meet local building standards. Certain complaints have come to me from builders to the effect that the corporation's standards are too high. This is the first time I have ever had any indication that the corporation's standards were lower than other standards in the country. Frankly, I can hardly credit it. I think there must be some misconception in this regard. The hon. member for Timmins might check up on this point.

I do not want to take up very much time, Mr. Chairman, but I do wish to say how much I appreciate the operations of the corporation, and I am grateful for the way in which the government has stood behind the corporation and provided the money for this tremendously expanded and increased housing program. It has meant much to the country and it has meant more particularly to my province of British Columbia. I know mill after mill which is totally dependent upon the housing industry, and I am quite sure there are many factories in Ontario making all sorts of equipment used in houses which are also pretty well 100 per cent dependent on this industry. I say that the government has shown great foresight and has planned very well. It is pleasing to know that the money will be spent as advantageously as possible to provide the greatest amount of employment to the end that Canadians will have decent living standards.

Mr. Hellyer: Mr. Chairman, we welcome this legislation as a continuation of a policy which has kept the house-building industry at a very high level, and which has undoubtedly created a great deal of additional employment in many parts of the country at a time when the economy was not as full as it had been previously.

I was glad to hear the minister say today that the policy had been a small home loan policy, because on previous occasions I have heard it referred to as a low-cost loan policy. I think he is correct today when he refers to it as a small home loan policy.

The minister has asked for suggestions and I know that any suggestions that are made will be considered by him. I think the limitation of 1,050 square feet, with which I do not quarrel because they have to draw an arbitrary line somewhere, is too low in some instances. As the minister knows—if he does not know his officials can tell him—the 1,050 square feet in a bungalow may cost $10.50 a square foot to build, whereas the next 100 square feet might cost only $5 per foot to build, and it is the next 100 square feet which is in fact the low-cost part of the house. Therefore, in some areas at least this arbitrary limitation is not working to the benefit of prospective house purchasers. For instance, in Toronto, at the price of lots at the present time, I do not think it is right to put a house as small as 1,050 square feet on a lot as expensive as the ones within the metropolitan area.

The minister indicated that one of the main objectives was maintaining high employment and I think that that objective has been met very well. However, I think caution is necessary, Mr. Speaker, in relation to the possible effects of trying to build too many houses too quickly. I know the minister did not intend it to be so, but this money was, in fact, to many people in our area at least manna from heaven for the speculators.

If we go back to 1956 we find that the price of raw land had dropped about 25 per cent in that area. The price held more or less steady in the following year, 1957, but last year, after the government made its announcement that large sums of money would be made available, the price of raw land in the metropolitan area and in the outskirts of Toronto increased at least 25 per cent in one year. It might also interest the minister to know that last summer the industry was beyond its physical capacity. We had a definite demonstration of that when for a considerable length of time it was impossible to get sufficient plastering crews to complete houses on schedule. The result was that the cost of plastering small houses increased about 20 per cent in a matter of two weeks and for the first time since 1950 crews came on the job or wanted to come on the job, consisting of one plasterer and seven helpers, with a consequent down-grading in quality. Schedules were thrown out and it was not until some months after that the situation again came into equilibrium, when there were sufficient skilled tradesmen available to do the job that had to be done.

In addition, in the city of Toronto last year the price of lots increased by 25 per cent in one year. This is a round figure, but I am sure it is pretty close to the average. Lots in Scarborough, which were selling for $3,800 to $4,000 at the beginning of last year, were selling at the end of the year for $5,000 or $5,200. I noticed in last week's paper a suggestion of a number of the present Scarborough council members that the price this year will be of the order of $5,500. What has happened is that the total cost of small houses in Toronto has gone up by about 10 per cent in the last 12 months. The caution which is needed is that if this continues, or if this is a trend, the objective which the government has in mind will not be accomplished.

I asked for some figures to be sent down in respect to the persons who purchased our houses last year and as an exercise I worked out what would happen if the price of houses and the amount of the mortgage were increased by 10 per cent. The effect would be to reduce the market by 36 per cent and that is really quite a substantial reduction. If that is the trend and if higher prices reduce the total market and the number of qualified purchasers, then ultimately it will result in fewer houses being purchased and less employment, which is the opposite effect to that which the government hopes to achieve.

Undoubtedly part of the problem in the Toronto area at least is not directly attributable to the actions of the government but involves something in which they are very much interested. I refer to the relationships between the government and the municipalities. If the government would like to reverse the present trend, and I know they would, I think they could be of considerable assistance by making loans available to the municipalities for the installation of trunk facilities such as trunk sewers and water mains, sewage disposal plants, water filtration plants and so on. I believe this was talked about as part of the government's platform last year and it is an area in which they could be of very great assistance to the house building industry.

If the government would make assistance available on a widespread basis the municipalities would be able to permit the servicing of a great many additional areas of land and the prices of lots would come down because they reflect the law of supply and demand very closely. I am sure that if additional lots were available and the price came down, as I am convinced it would, the market for housing would increase and the government would then be able to accomplish what it has in mind. I am sure they would find no difficulty in working out arrangements with the municipalities to effect such a program, and I hope the government will take that into consideration at a very early date.

Another question which was raised by the hon. member for Nipissing is where the government is going to get the money for its additional program. As the minister said, and I quote him, "Personally I cannot think of a better way for a government to spend its money." I know that the minister realizes that the government has no money of its own but must get it from somewhere, and if it gets it from the banks or other lending institutions which otherwise might invest it in insured housing loans then the total supply of housing is not increased. If, on the other hand, it gets the money from the banking system, through the mechanics of the Bank of Canada, then it is in competition with other government cash requirements. This is something about which the government will certainly have to be somewhat cautious.

With reference to the limited dividend section of the housing act, I think we are all pleased that greater use of this facility is taking place at the present time. I am one who has always thought that the section should be used much more widely than it was and I am very pleased that such now seems to be the case. I sometimes wonder how Central Mortgage and Housing Corporation in making its evaluations now gets around its own regulations but undoubtedly it has devised some workable system. I will only say that I would be happier if they would change the regulations so that the invested

equity of the entrepreneur would be reduced to 5 per cent in order that valuations could be strict and would not have to take into account enhanced land values.

I think the government deserves full marks for its efforts in the housing field but I believe greater discussion should take place on the possibility of getting costs down. In my opinion this is most important. I do not like to seem old-fashioned in worrying about costs but I think the future of the industry and the need to make better housing available for all Canadians require that we give this aspect of the problem greater consideration and more thought. Finally, I think allowances have to be made for a "Green" administration. However, now that the government has been in office 18 months and there are no elections in the immediate offing we expect that this program will continue with greater finesse.

Mr. McGee: Mr. Chairman, I do not want to delay the passing of the resolution but I should like to add my words to those of the hon. member for Vancouver South concerning the minister and the officials and staff of Central Mortgage and Housing Corporation. I thought that both the hon. member for Vancouver South and the minister were extremely modest in their remarks. To deal first with the hon. member for Vancouver South, I think that his efforts in providing the stimulus for a housing committee and his energetic activity in promoting interest among members of the house and spreading the word about limited dividend housing should be mentioned so that they will go on the record of the house.

As far as the minister is concerned, his estimate of the number of jobs created by 164,642 houses is at least 100,000 less than the most conservative estimate I have been able to obtain from government sources or from the industry. He referred to 200,000 on-site and 200,000 off-site jobs. The rock bottom figure I have been able to obtain, on the basis of calculation by people in that field, is 500,000. My imagination and ability to project were staggered when the minister mentioned the figure of $1,700 to $2,000 as the cost of services and equipment accompanying the erection of each housing unit. I did some very fast arithmetic and came up with the figure of $329 million. I boggle at the task of having to estimate how many jobs are created in the process of manufacturing the goods to meet this demand.

I was also most pleased, in fact, delighted to note the increase to 7,000 units under the limited dividend section of the act. I should like to think that the amount of housing activity in my riding during the last year was due perhaps in part at least to the minister's good will toward me, but while he may feel that way I am afraid the real explanation is that virtually the only open land east of Yonge street available for housing in the metropolitan Toronto area is in my riding, and entrepreneurs such as the hon. member for Trinity are very active in that regard.

I should like to refer briefly to the land assembly aspect of housing and to encourage the government to increase its activities in co-operation with the province in this area with a view perhaps to bringing about a reduction in the cost of land, serviced or otherwise, as mentioned by the hon. member for Trinity. I should like to make a specific recommendation to the minister on the matter of land assembly. When in co-operation with the province certain land is assembled and designated for low cost or low rental housing I would recommend that such land be marked by signs clearly visible from the perimeter of the area so that it will be impossible for developers, promoters and sellers of houses in the immediate area surrounding such land to avoid telling purchasers of homes for what purpose the adjacent land is designated.

There have been cases in my riding where, from talking to the occupants of certain homes adjacent to limited dividend or land assembly schemes, it would seem that statements by real estate salesmen have indicated that the land was going to be a park or a green belt or something which would add tremendously to the value of their homes. I repeat that I should like to see action taken to have signs erected, clearly visible from the adjacent areas, indicating the purpose for which it is intended to use the land. Any purchaser of a house will not object to certain situations developing in the neighbourhood so long as he is aware that they will develop in connection with the land adjacent to his home when he purchases his home.

Another problem which I am afraid is beyond the scope of this house or this government relates to the social conscience of those who live in areas adjacent to low cost or low rental land assembly areas. I think it is fair to say that when the provincial and federal governments assemble land on the perimeter of our urban areas the development of that land must await the movement of services out beyond the developed land in the immediate area. I would urge the individuals already occupying or who are going to occupy those areas as a result of government action to endorse and approve the establishment of further low cost units

or senior citizens' units. Unhappily, in this city and the city of Toronto and in other metropolitan areas the actions of ratepayers and others in this regard have been something less than the best demonstration of social conscience.

I should like to refer very briefly before I resume my seat to the remarks of the hon. member for Timmins. He deplored the fact that individuals in the lower income group were not being effectively assisted by this legislation. I did some more fast arithmetic on the basis of the figures the minister gave us and found that over 80 per cent of the loans made went to the group with $5,999 and under annual income and that 56.1 per cent went to the group with $4,999 and under annual income. The hon. member for Trinity if I heard him correctly, made perhaps the most preposterous criticism to come from the other side of this house in this session. If I understood his comments, he was suggesting it was the fault of this government's program because too many jobs had been created in the housing industry. If that is the type of complaint we can expect from an hon. member with long experience in the housing field I think it is fair to say that this government has done a truly remarkable job.

Mr. Badanai: I wish, first of all, to join with those who preceded me in extending congratulations to the Minister of Public Works for promoting this house-building program. I wish to give the government credit for the introduction of this resolution, the effect of which would be to enable Central Mortgage and Housing Corporation to invest an additional $250 million to provide an expanded housing program which is sorely needed in Canada today. This agency, which was first established by the former Liberal government, has a creditable record in the construction of rental housing.

I think we can all agree, in fact every speaker who preceded me has agreed, upon the need for housing today. Housing remains the basic need of communities, especially a community such as Fort William. In the growing and vigorous towns and cities it is almost impossible to find a house for rent, especially if the applicant has a large family. I am a firm believer in a policy of making money available at the lower rate of interest for the construction of homes.

During the throne speech debate in the last session of parliament I had this to say with regard to housing and I believe it is still applicable. I am quoting from page 351 of *Hansard* for May 22, 1958:

> With respect to housing, the speech contained the promise of a vigorous program of house-building. However, the legislation adopted in the house last week did not go far enough. My own view is that the government should subsidize interest rates on mortgage loans for houses costing less than $12,000. Anybody who is able to afford a new house costing over $12,000 should be able to meet the going market interest rate. Houses, including site costs, under $12,000 are today in the low cost category and a subsidy of say two per cent would bring the effective rate of interest to about four per cent.
>
> One of the crying needs of the moment is houses for rent. In our municipality we have taken advantage of the former government's housing scheme introduced in 1950 or 1951, and I was pleased to see that the present government is carrying on with the same formula of 75 per cent federal investment and 25 per cent split between the province and the municipality. The only trouble is that the scheme, while good, should provide for an increase in the federal government's share of the cost of acquiring and clearing substandard areas for low rental housing projects.

I am still in favour of that proposal that a lower interest rate should be made available for housing projects for low income groups.

There is another thing I want to bring to the attention of this house, and which I think is very important. I would urge that an investigation be made of the financial capabilities of the people now occupying homes erected under the National Housing Act, to make sure that people who are renting these subsidized homes are not people who can afford to provide their own accommodation. I have reason to believe that there are many who are now in homes subsidized by the three levels of government whose income does not qualify them for consideration for this type of housing, while others with low income and probably with large families cannot find accommodation of any kind. I know of families living in garages, summer cottages, attics and basements, while some with incomes between $4,000 and $6,000 a year are occupying houses which were built to accommodate those who cannot afford to buy or to rent from private enterprise.

The latter constitutes the largest group for which our government should direct Central Mortgage and Housing Corporation to build houses, because in spite of the increased housing construction during the past year—for which I wish to compliment the government—a backlog of unfilled housing need still remains. All you have to do is to add up all the marriages taking place in communities. In our community of Fort William there is an average of approximately 600 marriages a year. We never had more than 400 houses built in the best of construction years. There you have the situation. We are not providing sufficient accommodation, irrespective of whatever may be said to the contrary by some people who may find themselves in communities where the housing

situation may be better. I am speaking for my own community and communities with which I am familiar.

I should also like to point out that loans for housing purposes should be made available to small communities such as those in my own riding like Kakabeka Falls, Murillo, Hymers, Nolalu and others, with a population of a few hundred and which, to my knowledge, have been unable to get any loan from any quarter. In other words, they have been ignored. There is no question that thousands of our people, in both urban and rural districts, are living today in substandard houses. Many are living in shacks which are hardly fit for human habitation.

I am certainly in favour of funds being made available as called for in this resolution. I urge that they be used for the purpose of stimulating the construction of homes which the low income bracket group can afford to buy or to rent. I agree with the Minister of Public Works when he says that there is no better way in which to spend government money than on housing.

Mr. Aiken (Parry Sound-Muskoka): Mr. Chairman, I am sure that my remarks will be brief, as no hon. member would like to hold up the passing of this resolution. First, I wish to associate myself with the remarks of the hon. member for Vancouver South who stated that the housing industry provides Canadians with the maximum amount of employment and the maximum amount of Canadian products. For that reason alone I think encouragement of the housing industry is extremely important to us.

The minister has made a complete résumé of the housing industry and the job that Central Mortgage and Housing Corporation has done. I should just like to ask a couple of questions in reference to parts of the resolution. Perhaps the minister will answer them when he closes the discussion. There was some question of legislation permitting the sale of mortgages that are held by Central Mortgage and Housing Corporation. I should be greatly interested in learning whether there is any likelihood of a discount proposition being considered. I think this is a pertinent question and one of principle. The second thing I should like to know is whether the corporation has indication that they will be able to dispose of any substantial number of their mortgages in accordance with the plan the minister has outlined.

Mr. Green: Mr. Chairman, the debate this afternoon has been extremely helpful. I must say that everyone who has spoken has put forward ideas which will be given careful consideration. In my opinion, this has been one of the best debates we have had in the house for a long time. I do not intend to try to answer all the points which have been raised during the course of the afternoon. However, there are one or two things which I think should be dealt with.

The hon. member for Nipissing in the course of his thought-provoking speech, asked what percentage of this additional money would go into small homes. Under the policy all of the money would go into small homes or low rental projects under the limited dividend provision except where direct loans are made by the corporation to a person wishing to build a home in a smaller centre. As the hon. member knows, these loans have been handled directly by the corporation for some time. There might be some of these homes which would be over the area of 1,050 square feet.

Mention was also made of the need to keep the cost of housing down. This suggestion came from the hon. member for Trinity. We are always doing whatever is possible in that direction. Each year the Canadian construction association calls a conference to consider the small home problem. At this conference are representatives of the banks and lending institutions, the architects, engineers, municipalities and Central Mortgage and Housing Corporation. A great deal of thought has been put on ways of keeping down the costs. In view of the fact that there has been a trend of steadily rising prices in every field, I think the cost of houses has been kept down as much as was reasonably possible. In some metropolitan areas, particularly in Toronto, the costs are much higher than they are anywhere else in Canada. It is particularly difficult to meet this situation. At the moment I do not know quite how it is going to be done.

Hon. members might be interested to learn that of the $750 million which has been provided by legislation to date approximately $45 million has been repaid. This particular $750 million is not a revolving fund. The corporation must get authority to commit these funds. However, when it gets cash back it must pay that cash to the Department of Finance and there is no credit against the total authorized expenditure. Hence in effect there is only about $705 million actually outstanding. As time goes on, of course, more and more money will be coming back. This is one of the good features of the plan. We shall have to devise some way for Central Mortgage and Housing Corporation and the Minister of Public Works to get some credit for the money that comes back.

The other points which have been made during the course of the debate will be given careful consideration by the officials of the corporation and also by myself.

In regard to the answer to the question asked by the hon. member for Muskoka-Parry Sound, if Central Mortgage and Housing Corporation does decide to dispose of mortgages it will be done at the going market price. This would depend, for example, on the interest rate of the particular mortgage and on the demand for mortgages at the time. I am afraid it is impossible to give him any idea as to what extent this power will be exercised. The corporation has had power right along to sell mortgages to approved lenders only. Under the proposed legislation it will be able to sell to other companies which are not approved lenders provided the Central Mortgage and Housing Corporation continues to administer the loans. I cannot give the hon. member a more definite answer than that.

(Translation):

Mr. Valade: Mr. Chairman, it was not my intention to take the floor this afternoon, but since all matters pertaining to the Central Mortgage and Housing Corporation are of particular interest to the constituency I represent, I should like to take this opportunity to express my views.

Mr. Chairman, if we consider the purpose of the previous government in setting up the Central Mortgage and Housing Corporation, we realize that it was to provide our citizens with houses and not jobs. The Conservative party has made it a social security measure. The corporation now has a double purpose: that of providing houses as well as jobs.

When the previous administration froze housing credits, the result was an economic disorder from which we are still suffering today. Since the building and housing industry has slowed down, tradesmen have become the first victims. Then there has been a certain recession which has had the effect, as you no doubt know, of creating an alarming unemployment problem.

The consequences of the Conservative party's easing credit facilities in favour of the Central Mortgage and Housing Corporation, have instilled a new activity in industry and trades, and this has contributed, to some extent, to create jobs for Canadian workers.

We would face a sad plight if the Conservative party had not pledged itself to protect the interest of its voters by increasing credit facilities which the previous administration had neutralized through a short-sighted policy.

Mr. Chairman, if there are some disadvantages to the present National Housing Act, it certainly provides certain benefits, especially for the working class. I represent a constituency where the majority are working people. Those workers depend on their trade for their living and if construction activity had not been promoted through increased housing credits, our working population would find itself in a very deplorable situation. But if generally speaking the act helps the working class, it has not rectified certain irregularities concerning the workers.

Mr. Deschatelets: Don't forget to mention that the act was introduced by the Liberal government.

Mr. Valade: I am sorry, Mr. Chairman, I did not get the remark of my hon. friend.

Mr. Deschatelets: Don't forget to mention that the act was introduced by the Liberal government.

Mr. Valade: Mr. Chairman, perhaps my hon. friend the member for Maisonneuve was not in the house at the start of my remarks, because he would have heard me mention that point. I also think it is perhaps just as well that he was not in the house at the time, for he would have learned the truth, and he would have had no reason at all to make this remark.

Mr. Chairman, I wish simply to call the government's attention to the fact that the Central Housing and Mortgage Corporation allows limited dividend projects.

Mr. Chairman, these limited dividend projects certainly offer many advantages, but I think some improvements could be made. Such projects should be favoured in metropolitan areas too, so as to get rid of slums and replace them by good, clean, houses.

For instance, there are old districts in the city of Montreal which never benefited from those projects; yet, it was the ultimate end sought by the act. I believe we should not allow the construction of limited dividend projects in centres where the construction of single family dwellings or other houses would cause the establishment of a new parish or a new city. However, we notice in certain large cities, that complete districts become small towns made up of limited dividend projects. The government could check this situation by controlling the number of those limited dividend projects in urban centres, so that this legislation will not result, as I said a moment ago, in the establishment of multiple limited dividend projects. It is for this

reason, Mr. Chairman, that I wanted to rise and ask that the government bring pressure on C.M.H.C. officials, so that great centres like Montreal might become more interested in tearing down slums and replacing them by new houses, at a reasonable price for the wage-earner.

Mr. Chairman, there are in St. Mary, the constituency I have the honour to represent here, certain districts which have already been considered by the authorities of the city of Montreal—

(Text):

The Chairman: It being six o'clock the committee will now rise and report progress.

Some hon. Members: Question.

Mr. Pickersgill: I think if the hon. member needs only a few seconds more, we on this side of the house would be disposed to let the resolution go through.

Mr. Valade: I just have a few words to add.

The Chairman: Is it the pleasure of the house that the hon. member for St. Mary be allowed to proceed?

Some hon. Members: No, no.

The Chairman: I regret that there are still hon. members who wish to speak.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder if I could ask the Leader of the house if he would indicate now what business the government proposes to take up on Friday, tomorrow, of course, being private members' day?

Mr. Green: Yes, Mr. Speaker. Tomorrow is private members' day, and on Friday we will resume the consideration of the supplementary estimates. Then we will take this resolution and the trans-Canada highway resolution, and if there is any time left we will continue with the three other resolutions to which I referred last night.

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

ANSWERS TO QUESTIONS

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

SUPREME COURT APPEALS UNDER $10,000

Question No. 20—**Mr. Bell (Carleton):**

1. Upon what date did the amendment to the Supreme Court Act become effective, which increased from $2,000 to $10,000 the amount of value of a matter in controversy in respect of which an appeal to the Supreme Court of Canada lies as of right?

2. From the said date until the 31st December, 1958, how many applications have been made to the Supreme Court of Canada for leave to appeal to the Supreme Court of Canada in matters where the amount or value in controversy was between $2,000 and $10,000?

3. Of these, how many applications (a) have been granted; (b) have been refused; (c) are still pending?

4. From the said date until the 31st December, 1958, how many applications have been made to provincial courts entitled to grant leave, for leave to appeal to the Supreme Court of Canada in matters where the amount or value in controversy was between $2,000 and $10,000?

5. Of these, how many applications (a) have been granted; (b) have been refused; (c) are still pending?

6. If information enabling an answer to questions 4 and 5 is not in the possession of the government of Canada or the Supreme Court of Canada, how many appeals have been launched to the Supreme Court of Canada between the said dates where leave was granted by a provincial court and the amount or value of the matter in controversy was between $2,000 and $10,000?

Answer by: **Hon. E. D. Fulton (Minister of Justice):**

1. The increase affected all actions commenced in courts of first instance on and after August 14, 1956.

2. 47 (this includes those applications where the amount or value in controversy was less than $2,000, for in certain instances there is no statement as to the amount or value in controversy).

3. (a) 15. (b) 30. (c) 2 were pending as of December 31, 1958, and not heard at the request of counsel.

4. No information.

5. (a) 16. (b) and (c) no information.

6. See answer to question 5 (a).

AIRPORT CONSTRUCTION, SHERBROOKE, QUE.

Question No. 56—**Mr. Dupuis:**

1. Has the government agreed to build an airport at Sherbrooke, Quebec?

2. If so, on what date?

3. Were public tenders called for?

4. Is the construction of this airport under way or have the works been stopped?

5. In the event of works having been stopped, what is the reason for stopping them and when will the work be resumed?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Yes.

2. Approved in 1957-58 main estimates.

3. Yes, first stage only.

4 and 5. Work stopped because contractor advised that he was unable to carry on due to lack of finances. Work is to be resumed on satisfactory settlement being made.

SHERBROOKE, QUE. DELEGATION TO TRANSPORT BOARD

Question No. 57—**Mr. Dupuis:**

1. Was a delegation from Sherbrooke, Quebec, received in 1958 by the board of transport commissioners or one of its members or officers?

2. If so, what requests were made by the delegation?

3. Who were the persons included in the delegation?

4. What answers were given to the representations made by the delegation?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Yes.

2. Request to approve construction of a subway at Acadia street.

3. The mayor, the city manager and a few aldermen.

4. That no grant from the railway grade crossing fund could be made toward the cost of this project because under the present circumstances the provisions of the Railway Act could not permit a grant from the railway grade crossing fund.

EXTERNAL AFFAIRS—PERSONNEL ROTATION POLICY

Question No. 75—**Mr. Fisher:**

1. Has the Department of External Affairs a rotation policy for employees in posts out of the country?

2. If so, is there any difference in the policy as it affects foreign service officers and other employees?

3. What is the policy and when was it introduced?

4. Have any difficulties impeded the carrying out of this policy?

5. If so, what are the difficulties and what posts and what job classifications are affected by them?

Answer by: **Hon. Sidney E. Smith (Secretary of State for External Affairs):**

1. Yes.

2. Yes. The tour of duty of foreign service officers is longer at certain posts than for the foreign service administrative personnel i.e. stenographers, clerks, etc. Moreover, employees engaged locally by posts abroad e.g. translators, receptionists, messengers, chauffeurs, char staff, etc., are non-rotational.

3. (a) Foreign service officers and foreign service administrative employees are fully rotational between Ottawa and abroad and between the different posts abroad. The length of a tour of duty at each post abroad varies

from 18 months to three and one half-years, according to factors such as climate. Normally a posting abroad is followed by a period of at least two years service in Ottawa. (b) This policy has always existed.

4. This policy is generally carried out without difficulty, although the Department of External Affairs encounters the usual problems of personnel administration somewhat complicated by the wide dispersal of its personnel in many foreign lands.

5. See 4 above.

FREIGHT RATE INCREASE, B.C. LUMBER

Question No. 76—**Mr. Fisher:**

1. Was the 17½ per cent freight rate increase of December 1958, applied to British Columbia lumber and plywood shipped into Ontario and other eastern Canadian markets?
2. If not, for what reasons?
3. What was the increase applied to such shipments?
4. What increase was applied to shipments of lumber and plywood manufactured in Ontario and Quebec for shipments within those areas?

Answer by: **Hon. George H. Hees (Minister of Transport):**

Assuming that paragraph 1 of the question means 17 per cent instead of 17½ per cent as stated, the answers are as follows:

1. No, as to the basic rate from Vancouver to eastern Canada, such as to Toronto and Montreal.

2. The basic rates are the same as the rates in effect from Seattle, Washington.

3. The same increase as was applied from Seattle, i.e. effective March 11, 1958, for example: Seattle and Vancouver to Toronto: lumber—3 cents per 100 lbs.; plywood—4 cents per 100 lbs.

4. Seventeen per cent, subject to some exceptions where competitive rates may prevail.

CANADIAN EMBASSY, BRAZIL

Question No. 83—**Mr. Murphy:**

1. Did the government purchase property in 1955, or thereabouts, in the then capital of Brazil for a Canadian embassy or residence?
2. If so, was the property purchase known as the Braga's residence?
3. What was the amount paid in Canadian dollars?
4. Was any loss sustained in the payment or transfer of Canadian funds into Brazilian currency? If so, how much?
5. Was the current rate of exchange used in this transaction?
6. What was the rent per month paid for the ambassador's residence for a year prior to the purchase of the building?
7. Was the Auditor General of Canada advised of this transaction?

Answer by: **Hon. Sidney E. Smith (Secretary of State for External Affairs):**

1. Yes. The Canadian government purchased a property in March, 1955 for use as an official residence.

2. Yes.

3. $339,866. Legal, registration and other related charges amounted to $1,890.

4. No.

5. With respect to the purchase price the bill of sale stated: "The grantor hereby sells and conveys to the grantee, in accordance with the best legal practices, the above described property for the definite and agreed price of Cr25,859,750—"

"—the price stipulated in clause 3 corresponds to US$350,000 at the fixed rate of exchange of Cr73.885 per dollar—"

This, therefore, fixed the price at US$350,000 irrespective of fluctuations in exchange.

6. Cr120,000, or approximately $2,180 per month.

7. The Auditor General's representative attached to this department had access as usual to all departmental files in connection with this matter. It is not customary to draw the attention of the Auditor General's representative to specific purchases while they are being negotiated.

SURPLUS MILITARY AIRCRAFT PURCHASES

Question No. 99—**Mr. Martin (Essex East):**

1. Were any surplus military aircraft purchased during the calendar year 1958, by James H. Defuria of the State of New York? If so, how many?
2. Was any condition laid down by the government of Canada that such planes could not be transshipped from the United States or elsewhere for any military use whatsoever?

Answer by: **Hon. Raymond O'Hurley (Minister of Defence Production):**

1. Yes.

1a. 18 demilitarized aircraft and 9 airframes of the Mustang type, together with 8 engines were sold to James H. Defuria of DeWitt, New York, in 1958.

2. No—in so far as Crown Assets Disposal Corporation is concerned.

HOUSE OF COMMONS

Thursday, February 5, 1959

The house met at 2.30 p.m.

MAIN ESTIMATES, 1959-60

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1960, was presented by Hon. Donald M. Fleming (Minister of Finance) and read by Mr. Speaker to the house.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I beg leave to table the main estimates for the fiscal year 1959-60. Following the example set by my predecessor, Mr. Abbott, in 1950, 1951 and 1954 I propose to make a statement to the house now for the purpose of drawing to the attention of hon. members certain significant features of these estimates.

The most noteworthy feature is that compared with those for the present year, 1958-59, these estimates provide for a decrease of $39.1 million in the non-statutory items. This decrease reverses a trend of some years' duration. I am glad to report to the house that although this reduction was not accomplished without painstaking effort it has been achieved without any reduction in essential services to the public.

The second significant feature of these estimates is that the government has maintained the level of expenditure designed to assist national development and employment opportunities. Thus it may be seen that in its approach to the financial requirements in the fiscal year commencing April 1 next the government has endeavoured to maintain and foster a high degree of economic activity on the one hand and to exercise the restraint and balance necessary in coping with the inflationary aspects of recovery on the other hand.

Total budgetary expenses contemplated in the estimates for the new fiscal year amount to $5,595,848,557. This total, which includes both expenditures already authorized by continuing statutes and moneys parliament is being asked to appropriate, is compared in the blue book with a total of $5,295.6 million which was the sum provided for in the main, supplementary and further supplementary estimates No. 1 for the current year. Since the main estimates for 1959-60 were printed there have been tabled in the house further supplementary estimates No. 2, providing for additional expenditures in the present fiscal year of $28 million, so that the comparable total for 1958-59 now becomes $5,323.6 million, resulting in an over-all increase of $272.2 million. These figures do not include amounts for deficits in the old age security fund, since it is the practice to make such provision in the final supplementary estimates.

The government's approach to the task of preparing the 1959-60 estimates may be of interest to the house. Last year in order to provide employment the government deliberately favoured expenditure which would provide work through construction programs of a capital nature. This year we have expedited and encouraged programs which will provide work this winter. But we have been careful to ensure that we do not add to or extend a program which would build up government overhead without creating immediate employment. On all other items in the estimates our aim has been to apply a firm hand in restraining controllable expenditure without sacrificing essential public services.

There is an increase of $311.3 million in the estimates in the statutory area. It is attributable substantially to two or three items. First is the sum of $160 million for payments to the provinces under the Hospital Insurance and Diagnostic Services Act. The second is an increase of $106 million for statutory public debt charges. This increase may be attributed in approximately equal measure to the increase in the total public debt outstanding and higher rates of interest. In the third place is an increase of $25 million for family allowances, due to the increase in the numbers of those eligible, and $9 million for unemployment assistance attributable to the expected lag in the settlement of claims relating to the current fiscal year.

The over-all decrease of $39.1 million in the non-statutory items was achieved in spite of an increase of $88 million in the cost of administration and operation of all departments. This increase of $88 million is attributable to four items: first, an increase of $20 million in civil salaries and wages; second, an increase of $22 million in the pay and allowances of the armed forces and the Royal Canadian Mounted Police; third, an increase of $19 million in the cost of repairs and upkeep of equipment; and

fourth, smaller increases spread over a number of other items due principally to rising costs.

Notwithstanding the increases of $42 million in salaries and wages and pay and allowances, there has been no appreciable expansion in the strength of the civil service of Canada or of the defence forces. While additional responsibilities have been assumed, the over-all increase in the size of the government establishment for 1959-60 will be only .4 per cent over 1958-59. This is the smallest annual growth shown since 1951. It demonstrates the government's continuing effort to increase efficiency and at the same time to economize on the use of staff.

The principal factor in the increases in expenditures for administration is the fact that, in addition to the normal effect of reclassification and annual increases, there has been a continuation of the trend toward improved recruiting into the public service and armed forces, and toward lower rates of turnover within the authorized establishment. This has been particularly noticeable in relation to technical and professional grades which are being attracted into the public service within the approved staff strength.

The third factor, namely $19 million for repairs and upkeep of equipment, reflects an intensification of government programs of maintenance and repair.

Another factor contributing to the increased cost of administration is an amount of $8.9 million for travel and removal expenses, notably in national defence. Expenditures under this head are higher in certain years to meet the requirements for larger scale movement of forces. In the forthcoming year a large part of the brigade will be replaced in Europe in the normal rotation pattern.

The capital program reveals an over-all decrease in contemplated expenditure of $65 million. However, it is anticipated that the level of capital expenditure achieved in the current year by most of the civil departments will be maintained, particularly in those areas where expenditures are related to resource development and to employment, such as the departments of agriculture, mines and technical surveys, and northern affairs and national resources. The capital provision for the Department of Public Works is reduced in consequence of the accelerated completion of many public buildings and the inevitable time lag in the completion of plans for new projects. The provision in the Department of Transport, however, will remain at the present high level which has been established to meet the urgent requirements of civil aviation. The decline in the capital program of the public works department is largely offset by the provisions for the Department of Transport. Thus the government is maintaining a high volume of national works to continue the battle against unemployment.

The requirements of the Department of National Defence on capital account are also reduced. Expenditures in this area, apart from new requirements, are governed by the progress of various long-term defence projects.

Parliament is being asked to provide for loans, investments and advances—which add to the government's active assets—totalling $122,887,799 in addition to those for which continuing authority exists.

Not included in the figures I have thus far mentioned, but noted in the volume of estimates for consideration, are the forecast amounts for old age security pension payments totalling $577,600,000. These payments are not treated as budgetary expenditures since they are payable out of the old age security fund.

The house will see that in planning its spending program for 1959-60 the government sought, within the limits of controllable expenditure, to restrain inflation while at the same time assisting employment and the development of resources.

Mr. Speaker, I move, seconded by the Minister of Trade and Commerce (Mr. Churchill):

That the message of His Excellency, together with the estimates presented this day, be referred to the committee of supply.

Motion agreed to.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, not having had the advantage of an opportunity to study the minister's statement and the estimates which have just been tabled, it is impossible for me to comment at any length at this time on those estimates. But in view of what the minister has said perhaps it is appropriate for us on this side of the house to point out that the amount of the decrease in controllable expenditures, which seems to be about $32 million—

Mr. Fleming (Eglinton): It is $39.1 million.

Mr. Pearson: —as the minister points out, $39.1 million, is a small amount indeed compared with the figure of $500 million which we used to hear advanced by those now on the other side of the house as to what could be done about reducing controllable expenditures without interfering with essential services. While, of course, we welcome that reduction if it does not interfere with any essential services, it is only fitting to point out that in these estimates, which I think are the highest peacetime estimates in our

history—and the minister will correct me if I am wrong—there is an increase of $272 million over last year, not taking into account the increase of $22 million in expenditures from the old age security fund.

The minister has also emphasized, Mr. Speaker, that the civil service salaries and allowances have been kept well in check. I would point out, however, that during the year there has been an increase of some 4,000 in the number of civil servants, a fact which also is interesting in the light of what hon. gentlemen opposite used to say about reducing the number of civil servants.

Mr. Fleming (Eglinton): The hon. member is confused there.

Mr. McIlraith: Oh, no.

Mr. Pearson: I suggest that these estimates which have been put before us emphasize the desirability of the budget being brought down in order to deal with them at the earliest possible moment.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, like the Leader of the Opposition (Mr. Pearson) we did not have the estimates before us until just a few minutes ago. I would make the suggestion to the government that in future, when the minister makes a very long and comprehensive statement on this subject, it would be a common courtesy if we could have a confidential advance copy of the estimates, as we are given by courtesy an advance copy of the speech from the throne as delivered by His Excellency. I believe somebody said, "The same courtesy as the press". Of that I have no knowledge. But I think it is only fair that when the minister makes a very long statement—something of a preliminary statement to his budget address—the members of the opposition parties should have the opportunity of seeing the estimates in advance.

I think the Leader of the Opposition made some very important points in his short statement. I noted that the minister forecast a decrease in ordinary expenditures of just $39 million, which is a very small amount in relation to the very vigorous statements that we had over the years as to the hundreds of millions of dollars which could be saved if the government squeezed out expenditures which were wasteful and extravagant. The cold, hard fact is that the government has been able to save only a small proportion of that amount it said it would save when it was in the opposition.

We note that total expenditures are going up. Most of those increases we support. As a matter of fact we have played a very active part over the years in promoting some of the increases we have here. I refer particularly to the $160 million that will be an additional expenditure to provide hospitalization insurance in various provinces. Although this is an increase in expenditure, and although this would result, normally at any rate, in a similar increase in taxes, we in the C.C.F. feel that this increase is an excellent expenditure and a good investment by the Canadian public. We go further and say that we think the estimates now before us demonstrate once again that no matter what may be the public statements of the party in power to the effect that the government should have a small role in the economic field, the modern trend is for government expenditures to increase and for the government's role in the economy to be expanded. Even under a Conservative government we see that this is the case.

I would suggest that there are other increases and expenditures at this time that the Canadian public would support, and support cheerfully, and I would suggest for one the provision of a comprehensive national health insurance plan. I believe the Canadian nation would support such a program. We do not support the increase that has been made necessary because of increased interest charges on the government debt. We feel that this is an expenditure that was not necessary, an expenditure that should not have been incurred, and a surprising expenditure in light of the Conservative party's record over the years in advocating loose money and lower interest charges instead of the present tight money and high interest policy. We will in the days ahead study these estimates thoroughly and make our detailed contributions on their various aspects.

[*Later:*]

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I wonder whether the Minister of Finance will inform the house as to whether or not prior to the opening of the house he gave to anyone, other than the government, copies of the estimates and copies of the written statement which he proposed to read and did read to the house when it opened.

Hon. Donald M. Fleming (Minister of Finance): The practice that was followed today is the practice that was established by my Liberal predecessors and was followed by them for years, including the time that my hon. friend was parliamentary assistant to the minister of finance. He is well aware, Mr. Speaker, that it has been the practice for some years to have a confidential briefing of the press similar to that which occurs at budget

time. Representatives of the press were prepared to give the required undertaking to maintain in confidence the information they receive until it is released in the house, and they were permitted to be given the information and be briefed upon it prior to the session. That was done today from twelve o'clock on, and I have not the slightest doubt that the confidence that was reposed in the members of the press was fully respected by them. I do not think my hon. friend is any person to pretend not to know about this, because he was parliamentary assistant to the minister of finance while this practice was carried on for years.

Mr. Benidickson: Mr. Speaker, on a question of privilege, the minister himself has indicated that this afternoon he has followed a procedure that has not been used for some years, namely that of a lengthy statement in connection with the tabling of the estimates. It has not been done since 1954. It is true that I served both his immediate predecessor and Mr. Abbott as ministers of finance. My recollection is very clear that with respect to the statement that Mr. Abbott had in mind, by courtesy a copy was sent to the leader of the opposition, just as it has been the practice to send shortly, before the speech is delivered, the budget speech on budget night.

Mr. Fleming (Eglinton): Mr. Speaker, on the point of order, it is not and has not been the practice to send a copy of the budget speech to any person before it is delivered. The practice is to send a copy of the budget speech to the leader of the opposition and to the leaders of groups in the house after the minister has begun to deliver it, not before.

Some hon. Members: No.

Mr. Hazen Argue (Assiniboia): Since this statement and the opportunity to comment on it are a great deal different from the statement given in advance or at the beginning of the debate on the budget, I would ask the Minister of Finance in a friendly and sincere way whether he would give consideration to the suggestion that leaders of opposition parties be given an advance copy at approximately the same time as the press is given such a copy in a confidential way. I think it is only common fairness to the members of the house.

Mr. Speaker: Part of this discussion relates to the business of the house, but I think the question of delivery of a statement prior to the sitting of the house is really a matter between the leaders of the opposition parties and the Minister of Finance and should not be dealt with in open session.

[Mr. Fleming (Eglinton).]

Mr. Argue: On the point you have raised, sir, I would suggest that it opens up the question of a point of order, if this is not done, whether the Minister of Finance should have the right to make a long statement, particularly since he has given it in advance to the press without allowing members of the opposition to have the opportunity to see it and study it so they can be in the same position as the Minister of Finance to make comments on the estimates themselves.

Mr. Fleming (Eglinton): Mr. Speaker, if I may repeat what I said before, it has been the practice for years to give to the press in the course of the briefing conference that precedes the tabling of the estimates in the house a statement explanatory of the estimates. The statement I read today, Mr. Speaker, simply followed the practice that was followed by Mr. Abbott—

Mr. McIlraith: No, it did not.

Mr. Fleming (Eglinton): —in 1950, 1951 and 1954. With regard to the length of the statement, I may say that one of his statements was much longer than the statement I read today.

Mr. Speaker: Order. I think this discussion has gone far enough. There is no question before the house and no question has been addressed to any minister. The discussion began as a discussion of our procedure, and it seems to have gone beyond that.

TRANSPORT

LACHINE CANAL—STATEMENT ON FUTURE OPERATION

Hon. George H. Hees (Minister of Transport): Mr. Speaker, as I have received numerous inquiries from Montreal members of parliament regarding the future operation of the Lachine canal, I should like to make a short statement about it.

Officials of my department, of the St. Lawrence seaway authority and of the national harbours board recently met with officials of the Montreal port council and informed them that it is the decision of the government that the Lachine canal shall be kept open throughout its entire length. The purpose will be to afford access to industries situated thereon; it will not be kept open for regular through traffic going to and from the great lakes.

However, should a vessel make use of the canal to serve an industry located thereon, and have some reason for leaving the canal at the opposite end from which it entered, this will be permitted under a toll structure related to the seaway toll structure for equivalent through movement.

The canal will be transferred to the St. Lawrence seaway authority for administrative and operational purposes, but not on the basis that the seaway must run it as a self-sustaining operation. My department is maintaining financial responsibility for the Lachine canal and will provide in its estimates the funds necessary for its operation. This will make it clear that the decision to keep the canal open on the basis I have indicated is a government decision rather than a matter solely within the hands of the seaway authority to determine.

I understand that the representatives of the Montreal port council expressed themselves as satisfied with this arrangement.

COMPANIES ACT

AMENDMENT RESPECTING FILING OF FINANCIAL STATEMENTS

Mr. E. J. Broome (Vancouver South) moved for leave to introduce Bill No. C-22, to amend the Companies Act.

Some hon. Members: Explain.

Mr. Broome: The purpose of this bill is to prevent public companies taking advantage of the exemption given in section 121 of the Companies Act to private companies—among other requirements, those not having more than 50 shareholders—by which these so-called "family" companies do not have to file annual financial statements with the Secretary of State. Under the present definitions and section 121, large companies are able to avoid filing annual financial statements by incorporating private companies and becoming shareholders therein.

The present section 121 follows that in the pre-1948 United Kingdom companies act; however, in 1948 the United Kingdom act was revised and a provision was inserted to remedy the situation in England. The Canadian act was amended in some respects to follow the 1948 English revision, but this provision was not adopted. The proposed amendment, adapted to the United Kingdom act, would insert the United Kingdom provision in section 121 of the Canadian act. The amendment would not affect the true "family" private company.

It is proposed that the amendment come into effect on January 1, 1960 to give adequate notice to interested persons.

Motion agreed to and bill read the first time.

TRADE

RUSSIA—INQUIRY AS TO RENEWAL OF WHEAT AGREEMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether in view of the fact that the Canadian-Soviet trade agreement, which was signed in February, 1956, under which Russia agreed to take 14 million bushels of wheat a year from Canada, comes to an end at the end of February of this year, steps are being taken to renegotiate this important treaty; and if so, what progress is being made to this end?

Right Hon. J. G. Diefenbaker (Prime Minister): It is a fact that this agreement comes to an end, as the Leader of the Opposition has stated, at the time he mentioned. This matter is now under consideration and the necessary discussions are taking place with a view to hastening the achievement once more of a similar agreement. What steps have been taken cannot be brought to the attention of the house while negotiations are going on, but every consideration is being given to the importance of this subject.

SALT FISH—REPORTED STATEMENT BY JAMAICAN MINISTER

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, may I direct the attention of the house to salted codfish. Yesterday the hon. member for Gloucester asked me about a statement attributed to Hon. Wills O. Isaacs at a banquet in Jamaica. The statement Mr. Isaacs made there was:

> We have come to a definite agreement and understanding so in future there will be no more cause for complaints and hardship.

He was talking about the price of Canadian salted fish in the Jamaican market. The answer to my hon. friend's question is as follows. Discussions have been carried on during recent months with the minister of trade and industry of the government of Jamaica with a view to withdrawal of the retail price ceiling imposed on the sale of salted codfish in the Jamaican market. As a result of these discussions the government of Jamaica in November last did raise the retail price ceiling on salted codfish from 1 shilling 5 pence to 1 shilling 6 pence per pound.

During the recent Canadian trade fair held at Kingston, Jamaica, my colleague the Minister of Fisheries held further discussions with the Jamaican minister of trade and industry concerning the situation created by the continuance of the retail price ceiling. The day following the announcement officials of my department present at the trade fair visited the minister of trade and industry, Mr. Isaacs, and attempted to secure a commitment date for withdrawal of retail price ceilings on salted codfish in Jamaica. It is hoped that

the government of Jamaica will find it possible to do away with the price ceiling, and we will continue to press for its removal.

PUBLIC SERVICE

REQUEST FOR COMMENT ON STATEMENT RESPECTING U.S. SATELLITE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to prospect the mind of the Minister of Mines and Technical Surveys by asking him a question. My parliamentary geiger counter is based on newspaper reports concerning the personal opinion expressed by Edward Argyle of the dominion observatory at Royal Oak near Victoria, British Columbia, to the effect that the United States Atlas satellite was a rubbishy propaganda stunt.

In view of the publicly expressed horrific concern of the senior officials of the minister's department with respect to this personal opinion, and in view of the reported full inquiry into this matter, undertaken with the consent of the minister, can the minister inform the house of all the facts surrounding this case, the result of the investigation and of any action taken because of this expression of personal opinion by a public servant;—

Some hon. Members: Order.

Mr. Herridge: —and further, will the minister also inform the house of the exact limits of the area within which such a servant of the government of Canada is permitted to express a personal opinion—

Some hon. Members: Order.

Mr. Speaker: Order. I think the hon. member has gone far enough with the first part of his question. The latter part seems to launch into a rather broad subject. Maybe he could separate his questions so that I could deal with them separately.

Hon. Paul Comtois (Minister of Mines and Technical Surveys): I thank the hon. member for having given me notice of his question. The investigation into the case of Mr. Argyle revealed that because of his technical knowledge he was often assigned the task of replying to the inquiring public and newspapermen on such matters as meteors and satellites. He was telephoned at his home on a Saturday by a local newspaperman inquiring about the reception of radio signals from the new satellite. He used the occasion to express a personal opinion, criticizing the United States publicity concerning the satellite and the President's message from it.

We believe that Mr. Argyle's action is reprehensible because of the brashness of his statements and the offensive expressions he used and particularly because of the occasion he used of a press reporter's call to him to make such statements.

I wish to read, if I may, Mr. Speaker, the letter which was sent to this employee. It reads as follows:

Ottawa, January 5, 1959

Mr. P. E. Argyle,
Dominion Astrophysical Observatory,
Royal Oak, British Columbia.

Dear Mr. Argyle:

It is very regrettable, to say the least, that you should have chosen to express to an inquiring reporter that personal opinion on the United States Atlas satellite which has made the headlines in all the Canadian press. This has proven most embarrassing to our dominion observatories, to our minister and department, and to the government as a whole.

Any civil servant has a right to entertain personal opinions, but there is an unstated rule of prudence and reticence which applies, and which you have seriously disregarded. There is no excuse for the occasion you have chosen—a call from a press reporter—for the unfortunate statements you have made.

Were it not for your good record and reputation with our department, our minister would have wished to go further than this simple reprimand and cautioning.

I am sure you have, by now, realized—

Mr. Winch: Fascism.

Mr. Comtois:

—the extent of the embarrassment you have caused, and that you will be governed accordingly in the future.

Yours very truly,

Marc Boyer
Deputy Minister

Mr. Herridge: Mr. Speaker, in accordance with your kind suggestion I should like to ask a supplementary question. In view of what the minister's reply has been to date, will the minister also inform the house, in view of the importance of this question, what are the exact limits of the area of prudence and reticence within which a servant of the government may be able to express a personal opinion, particularly within his own home, without risking censure or reprimand?

Mr. Comtois: I do not think I have to answer such a question.

Mr. Speaker: I was just about to say it struck me that the question involves something that could not be dealt with very readily in an answer to an oral question. I am not sure whether it is even a proper subject for a question for the order paper, but I do not want to prejudge that issue. It asks for a statement on a matter which would require considerable information and careful statement. I think it might more properly be sought by a written question than by a question on the spur of the moment.

Mr. Herridge: A supplementary question. Does the minister think his attitude to this question and his decision in the matter violate in any way the spirit of the bill of rights the Prime Minister intends to bring before the house?

Mr. Speaker: The hon. member is obviously using the question now to express an opinion himself rather than to seek information.

ATOMIC ENERGY

PRESS REPORT RESPECTING SUPPLY OF FUEL BY U.K.

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask a question of the Secretary of State for External Affairs arising out of a statement he made in the house the other day to the effect that negotiations were about to take place between Canada and EURATOM concerning the supply of uranium to EURATOM by Canada. Has the minister any comment to make on the report from London that Great Britain has now signed such an agreement with EURATOM which provides for the supply of fuel to reactors obtained by EURATOM from the United Kingdom, and to other reactors if arrangements can be made to that end?

Hon. Sidney E. Smith (Secretary of State for External Affairs): I have not seen that report, and I will take the question as notice.

NATURAL RESOURCES

EFFECT OF FISCAL POLICY ON FOREST INDUSTRY

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Has the minister received a report on the effects of fiscal policy on the forest industry, which he indicated last August 14 he had asked for? If not, can he indicate whether the report will be available to him this session?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I have received a report from my departmental heads on the forest industry, but I have not received any other report from any outside source.

Mr. Fisher: Will the minister tell us whether he presented his request for such a report to the Minister of Finance?

Mr. Hamilton (Qu'Appelle): I understand that the hon. member is asking whether I presented a request—

Inquiries of the Ministry

Mr. Fisher: Yes. I asked the minister whether he had presented a request for such a report to the Minister of Finance?

Mr. Hamilton (Qu'Appelle): No, Mr. Speaker.

BRITISH COLUMBIA—REQUEST FOR COMMENT ON REPORTED STATEMENT BY PREMIER

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Has the attention of the Prime Minister been drawn to a press interview granted by the premier of British Columbia following his return from a meeting with the Prime Minister, in which it is stated by the premier that agreement has been reached between himself and the Prime Minister of Canada on the development of the Columbia river, and in addition aid for the protection of our forests both by way of access roads and fire protection?

In view of the statement that has been given by the premier of British Columbia, is the Prime Minister in a position now to give the house any information on those discussions or decisions?

Right Hon. J. G. Diefenbaker (Prime Minister): The answer to the question of whether I have seen what the premier is alleged to have said in the press is no, and the answer to the question is no.

CANADIAN BROADCASTING CORPORATION

MONTREAL—INQUIRY AS TO PRESENT STRIKE POSITION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of National Revenue. Is the minister able to report any further progress in the negotiations with regard to the strike of C.B.C. producers? I ask this question particularly because of the announced change in policy of the council of broadcasting unions, opening the way for wider support of the strike by associated workers.

Hon. George C. Nowlan (Minister of National Revenue): I am not in a position to make any further announcement. I know nothing of the change of policy to which the hon. member has referred. In view of the assault which took place in Montreal last night I would think the policy was perhaps not quite as he indicated. The discussions that were initiated yesterday morning went on through the day. I am told that those representing the producers and the corporation adjourned their discussions late last evening and resumed again this morning. As far

as I know discussions are still taking place. I was told that the climate, shall we say, was cordial and that good will was evinced on both sides, and it was thought that progress was made yesterday.

Mr. Argue: Because of the minister's reference to assaults I want to tell him that I know nothing about such assaults. I have not heard of them in any way whatsoever.

Some hon. Members: Order.

Mr. Argue: I would tell the minister—

Some hon. Members: Order.

Mr. Speaker: Unless the hon. member is asking a question he is not supposed to rise to tell the minister something. This is a time for getting information.

Mr. Argue: I would ask the minister if he has seen the report in this morning's Montreal *Gazette* setting forth the information I have used in asking the question.

Mr. Nowlan: I have not had time to read the morning paper, Mr. Speaker.

OLD AGE SECURITY

INQUIRY AS TO REPORT BY DR. ROBERT CLARK

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of National Health and Welfare when he will table the long-awaited Clark report on the old age survivor system in the United States, and if we may expect a statement from him on behalf of the government with regard to the report and the problem involved? Will the minister give members of the opposition the report at the same time it is given to other people in this country?

Hon. J. W. Monteith (Minister of National Health and Welfare): I think the Prime Minister answered that question a week ago last Friday, if I am not mistaken.

THE CANADIAN ECONOMY

ROYAL COMMISSION ON ENERGY—INQUIRY AS TO RESUMPTION OF SITTINGS IN ATLANTIC PROVINCES

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Prime Minister. Can the Prime Minister advise the house whether the Borden commission on energy has resumed sittings in the Atlantic provinces and, if not, when such sittings are expected to be resumed?

Right Hon. J. G. Diefenbaker (Prime Minister): I will have to make inquiries about the matter.

LABOUR CONDITIONS

SUGGESTED ADVERTISING CAMPAIGN ON EMPLOYMENT OPPORTUNITIES

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I should like to direct a question to the Minister of Labour. We have heard a great deal about unemployment in recent months, and at the same time there has been a rather distinct lack of sufficient numbers of properly qualified and trained people—

Some hon. Members: Order.

Mr. Nasserden: —to meet the demands of industry and certain professions, for example veterinarians.

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member just heard me remind a member who is somewhat nearer to me that the purpose of a member in rising is to ask for information and not to give it. I hope the hon. member will proceed with that in mind.

Mr. Nasserden: Thank you, Mr. Speaker. In view of the facts I have stated, will the Department of Labour give consideration to an advertising program in our weekly press across Canada outlining these prospects in the long-term interests of improving the percentages of employable Canadians and at the same time meeting the demands of our expanding labour force?

Hon. Michael Starr (Minister of Labour): I am very happy to have the opportunity to answer this question for the hon. member for Rosthern, and I wish to thank him for giving me notice of it.

Some hon. Members: Oh, oh.

Mr. Starr: I would inform the house that the placement officers of the national employment service are endeavouring to keep in close touch with industry and with the professions to ascertain their present and future needs in this regard. It is certainly our intention and it has been our policy to place advertisements in the weekly press and in other advertising media across Canada to bring these matters to the attention of the public. In recent months our placement program has been intensified in this regard, and I can assure the hon. member that we are currently keeping a close watch on the executive and professional needs of industry in order to assist in obtaining trained and qualified people.

CANADIAN CITIZENSHIP ACT

AMENDMENT RESPECTING STATUS OF NATURALIZED CITIZENS

Hon. J. W. Pickersgill (Bonavista-Twillingate) moved the second reading of Bill No. C-2, to amend the Canadian Citizenship Act.

He said: Mr. Speaker, as I indicated to the house on first reading, the object of this bill is to place the status of naturalized citizens of Canada on a basis of complete legal equality with natural born citizens. The bill itself is very simple in its form. The object is even simpler to explain. I do not intend to detain the house for more than a very few minutes to explain more than one or two relatively small points.

I imagine, however, that it will be asked by some hon. gentlemen opposite, since it has become an ingrown habit on the other side of the house, why was this not done before when you were in office?

Some hon. Members: Hear, hear.

Mr. Pickersgill: The question might well be directed to me, and I think it would be a very proper question if directed to me. In order to save the vocal cords of the hon. lady, I intend to answer it before she gets up to speak.

An hon. Member: Save our ears and write a letter.

Mr. Pickersgill: The hon. gentleman can decide for himself whether he would prefer to listen to me or to the hon. lady. The reason this was not done before is not very hard to see.

Mr. McPhillips: Why did you not see it?

Mr. Pickersgill: Perhaps the hon. member for Victoria (Mr. McPhillips), whose very high-minded contributions to the debates in this house we all acknowledge, would not mind making his speech on his own time rather than on mine.

I might say, Mr. Speaker, that I do not wish to enter into any controversy over this matter with anyone. I am seeking to place this matter before the house as a measure in which all Canadians and all members of this house are equally interested, as I believe they all are. I am seeking to place it before the house in a completely non-controversial way. I do think the question I mentioned, is, more than it usually is, a very proper question to ask, and that is why I propose to answer it right now.

There was a very good reason why the provisions that were in the Citizenship Act as it was introduced and piloted through this house in an earlier parliament by the hon. member for Essex East (Mr. Martin) were put there. They did have very considerable administrable convenience. In fact they worked no particular hardship upon any resident citizen of Canada. Indeed, I think they worked no hardship on anyone anywhere in the world.

During the three years I was minister of citizenship and immigration no one ever suggested to me that any such change should be made. At the time I introduced certain amendments in this house to the citizenship act, it was not suggested from any part of this house that this would be a desirable change. During the spring and summer of 1957 it did come to my notice, as I think it came to the notice of many other hon. members, that there was in certain parts of this country amongst naturalized citizens—where this idea originated I do not know—a feeling that in some way or other they did not have equal status legally, that there were circumstances in which they could lose their citizenship, circumstances which did not exist in the case of a natural born citizen.

There was a good deal of discussion on this subject during the year 1957, and it was referred to in the house by the present Minister of Justice (Mr. Fulton), on a date which I could find, but I do not think there will be any dispute about it.

Mr. Campbell (Stormont): Will the hon. member permit a question?

Mr. Pickersgill: Perhaps I could finish my sentence. It was adverted to by the Minister of Justice during the estimates of the Department of Citizenship and Immigration over which he was then presiding and he expressed, on the part of the government, a feeling of considerable concern about this matter. I did draw the hon. gentleman's attention at that time to one of the possible difficulties and embarrassments that might be occasioned by this, and he indicated that he was aware of it. Now perhaps if the hon. member for Stormont would like to ask his question, he might do so.

Mr. Campbell (Stormont): May I ask the hon. gentleman if this feeling on the part of naturalized Canadians might have arisen from a statement by the then minister to the effect that Canadian babies were infinitely superior to those who were not born here, and might that have created some apprehension in their minds?

Mr. Pickersgill: I consider that particular intervention both worthy of the hon. member for Stormont and very characteristic of him.

Some hon. Members: Answer it.

Mr. Pickersgill: If hon. gentlemen would like to hear the answer I have no objection to giving it. Of course I never said what the hon. gentleman said, and no newspaper ever said I did. Perhaps that largely disposes of the matter. What I did say, and what I have never apologized for saying, and what I have never found any immigrant misunderstanding, was that as a means of increasing the population of a country, other things being equal, the cradle was a better way than migration because it was easier for people born and brought up in a country to adapt themselves to that country. I have never met any immigrant who had a child in this country, and to whom I explained what I really did say, who did not thoroughly agree with that view. I fully expect that the usual distortions of my statement, which I might say gave me a certain notoriety in this country that I did not have before, will go on being repeated. Being a politician, perhaps that additional notoriety may not do me any more harm than the repetition of my name may do me good.

It does seem to me, sir, that this is a rather small kind of intervention in the consideration of a subject that ought to be considered on a high level and very dispassionate on both sides of the house. I hope this bill can be considered in this way.

When the question came to my attention in the summer of 1957 I, as a former minister —and as I am sure the hon. lady would agree—naturally consulted the department, as I am sure she would in similar circumstances, in order to see what their views were. The administrative conveniences of the law as it then stood were put forward in strong terms by the department. I am not going to go into that matter, because it is not particularly relevant and because all those considerations have been removed by the decision made by the house at the last session. But against this consideration it was easy to see that if there was on the part of citizens of Canada who had come here voluntarily to make this country their home a feeling that in any way whatsoever they were not considered to be the equals of those who were born here, and if it was possible for parliament to change that feeling, we ought to try to do it.

I consulted two distinguished former members of this house. One of them was still a member of this house at that time, and the other was a member of the other place. Both of them were immigrants. I refer to Senator Croll and Hon. James Sinclair. I consulted them about this question and said to them, "Do you as immigrants feel that you are in any way inferior, legally or in any other way?" They said, "Personally we do not, but we see the point and we think the situation should be changed."

I must say that as far as I was concerned, the judgment of those two experienced public men influenced me strongly. I felt that any small administrative inconvenience should not be weighed in the balance against an act which would give to all our citizens a feeling that there was a genuine psychological equality as between naturalized and natural born citizens. That view was taken when the subject came up for discussion at the convention of our party in January 1958. The relevant provision of our program is contained in one sentence which I should like to put on the record, and I do so in no partisan sense. It is as follows:

> The Liberal party which sponsored the Canadian Citizenship Act stands for the absolute equality of all Canadians whether born in Canada or naturalized.

I do not think it is a partisan question at all. I understand it is the position taken by the Conservative party. If I am wrong I should be glad to be corrected by anyone authorized to speak for the party. I believe it is the position taken by the Conservative party and I hope it is the position taken by that party. I believe it is also the position taken by the C.C.F. party. If my memory serves me—and I must confess I did not read his speech right through—I think the hon. member for Skeena (Mr. Howard) took that position on the very last day of the last session or the day next to the last day. In any case it is my belief that so far as the objective of this bill is concerned, there is unanimity among all the parties in this house and, I hope, among all the members in this house.

In view of the unanimity that I believe exists I must say that we were disappointed, and we expressed our disappointment at the bill introduced at the last session. In fact we even divided the house on the question on the last day of the last session of parliament. At that time I moved an amendment in committee, and the amendment I moved at that time was in the precise terms of the bill now before the house. In order to save the time of hon. members I should like to read what I said about that amendment, because it was put quite briefly. I said this, as found at pages 4759 and 4760 of *Hansard* for 1958:

> The only difference between what I am suggesting and what the hon. lady is putting forward in her bill, now that she has taken out . . . section (c) . . . is that it will no longer be competent to revoke the citizenship of the person who has been charged with the offence of treason, is outside the country and does not come back to be tried.

That is the only person whose citizenship can now be revoked under the law as it now stands, except a person who has obtained his citizenship by fraud. As will be seen by an examination of this bill, the question of fraud is dealt with by this bill in another fashion which I think is more consonant with the real facts of the case than is the present law. With respect to this one disability, if you like to put it in that way, I said this:

> That is the sort of thing that happens once in a great while. It is perhaps desirable to be able to do this.

That is to say, to revoke the citizenship of someone who is charged with treason and who will not come back to Canada to be tried. I continued:

> However—

And I think this is the really important thing.

> —if we are going to take away all the other reasons, why leave this one? The main purpose of this whole exercise—

That is to say, the bill which the hon. lady was then piloting through the house.

> —as I take it—and I think the house is not divided on this point any longer—

I said that then, I say it now and I believe it to be true.

> —is to give complete equality, the psychological feeling of equality. If a natural born person is a traitor, we cannot divest him of his citizenship. Therefore are we really going to be losing very much if once in a generation there happens to be a naturalized person who is charged with treason and is outside of Canada and whom we cannot strip of his citizenship? It does not seem to me that the country is going to suffer very much compared with what we are trying to do in this legislation. In other words, we are trying to give to the naturalized citizens of this country a feeling that once they are naturalized they are the equal of the natural born citizens.

That is still the objective. I may say, Mr. Speaker, that I indicated then, as I want to indicate again today, that I am not attached to the language of this bill at all. Hon. members will recall that I drafted the amendment rather hastily. At that time I said this:

> I have tried to make this suggestion in a completely non-controversial way because I think all of us are looking to the achievement of the same objective. I may say that if the Minister of Justice finds any technical defect in the amendment, I should be happy indeed to yield to his very much superior knowledge of these matters in making any textual changes in it. But I would hope that in principle it would be acceptable to the government.

I express that same hope again today, Mr. Speaker. We have now had six months in which to reflect on this matter. If, as may well be possible, the language used in the drafting of this bill is not entirely satisfactory to the government or to the law officers of the crown, I make the suggestion that we accept the principle of the bill on second reading and send it to a committee. I may say that no one will be happier than I to accept any amendment which the Minister of Citizenship and Immigration, the Minister of Justice or the law officers of the crown think will better accomplish the objective which I believe we all have in view, namely this objective of giving to all Canadians this sense of equality.

If I may do so, Mr. Speaker, I should like to say this in conclusion. The purpose of this bill is to achieve an objective which was stated simply and eloquently by the Leader of the Opposition whose statement will be found at page 4697 of *Hansard* for last year. The hon. gentleman said that we should seek to achieve a situation where

> —there shall be only one class of citizens in Canada, in a country which has no room for first, second or third class Canadians.

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, I have listened with great interest to the remarks made by the hon. member for Bonavista-Twillingate (Mr. Pickersgill), remarks which were apologetic in some respects, excusing himself as the former minister of citizenship and immigration for not having dealt with something the present minister has dealt with, due to the fact that his attention was not drawn thereto. But that is beside the point. What I wish to assure you, Mr. Speaker, and the hon. members of this house is that I as a naturalized Canadian would be, and should be, the first to go along with and support any legislation—and I quote from the explanatory notes in Bill No. C-2—that would—

> —give complete equality of status with natural born citizens to citizens other than natural born citizens by removing the remaining discrimination in the present law.

Mr. Speaker, for reasons which I shall state in the course of my address I feel that this bill fails in that respect; therefore I have no alternative but to speak against it. I will vote against it and will ask the hon. members to do likewise.

As a naturalized Canadian I probably feel more strongly about any of the discriminations which exist against the thousands who are in the same category. I feel more strongly than the natural born Canadian would because, Mr. Speaker, by accepting citizenship in this country I accepted all the duties and obligations, and there is not one iota of difference between duties and obligations that are imposed upon me as a citizen and those imposed on the person who is a natural

born Canadian. If my duties and obligations are the same, then my status should be absolutely equal to that of my brother Canadian who happens to be born in this country.

In spite of what the hon. member for Bonavista-Twillingate has said, I want to reiterate that up to last session, in September, there was discrimination against naturalized Canadians, and I wish to assure this house that naturalized Canadians did object to these discriminatory provisions in the act. Probably they missed the hon. member while he was minister of citizenship and immigration, but I can give quotations from the ethnic press for some five years back. However, that is unnecessary in the circumstances; but to refresh the memories of members, if I may be permitted, Mr. Speaker, I would like to quote from the address of the Minister of Citizenship and Immigration, which quotation is to be found at page 4690 of *Hansard* of September 5, 1958. These provisions which were discriminatory are summarized there, and I would like to put them on record. Before I do so I want to make it plain that these were the provisions under which a naturalized Canadian could have his citizenship revoked, and they were as follows:

1, assisted an enemy of Canada in time of war; 2, obtained his citizenship by false representation or fraud; 3, has resided outside of Canada for six years and has not maintained substantial connection with Canada; 4, has resided outside of Canada for two years in a country of which he was a citizen before he became a Canadian citizen and has not maintained substantial connection with Canada; 5, while out of Canada has shown disaffection or disloyalty to Her Majesty; or 6, has been convicted by a Canadian court of an offence involving disaffection or disloyalty to Her Majesty.

It is agreed that by Bill No. C-58 introduced by the present Minister of Citizenship and Immigration all or practically all of these provisions were repealed. Mr. Speaker, as the law stands today I cannot find anything in the act which makes any distinction between the status of a natural born Canadian and a naturalized Canadian while in Canada. Is that right?

Mr. Pickersgill: That is correct.

Mr. Mandziuk: They are the Canadians about whom we should be most concerned. But, Mr. Speaker, in spite of what my hon. friend has said, it is interesting to note that during all the years he was king of the castle, or minister of citizenship and immigration, he took absolutely no steps to do away with or repeal these discriminatory provisions which remained in the act, and it is only after he has landed himself in the opposition that he suddenly realizes that something is required, probably through repentance, and he is now prepared to go the whole hog, which was a phrase he used in one of his addresses.

Mr. Pickersgill: Yes, that is right.

Mr. Mandziuk: The second point which leads one to wonder, Mr. Speaker, is why did he attempt in the last session to introduce a motion which, if it had not been ruled out of order but had been accepted by the house, would have killed Bill C-58 which removed these discriminatory provisions from the act? The reason was this, "Me too, sir", as usual.

This bill, C-2 has somewhat high-sounding language. I hope hon. members will refer to it because I am going to quote, first of all, the section that it intends to repeal, and that is the section which is at present our law, section 19(1). May I be permitted, Mr. Speaker, to put it on *Hansard* for all new or naturalized Canadians to read, so they may take note of how the present law stands:

19. (1) The governor in council may, in his discretion, order that any person other than a natural-born Canadian citizen shall cease to be a Canadian citizen if, upon a report from the minister, he is satisfied that such person,

(a) having been charged with the offence of treason under the Criminal Code or with an offence under the Official Secrets Act, has failed or refused to return to Canada voluntarily within such time as may be prescribed in a notice sent by the minister to such person at his last known address and has not appeared at the preliminary inquiry into such offence or at the trial of such offence, or both, as the case may be;

(b) has obtained a certificate of naturalization or of Canadian citizenship by false representation or fraud or by concealment of material circumstances.

This section deals with two types of people. It deals with those who may be charged with treason or under the Official Secrets Act; and it deals, second, with those to whom a certificate of citizenship is granted but under false pretences on the part of the applicant, the concealment of material facts or other irregularities.

Let me deal with the person charged with treason. Listening to the eloquent remarks of the hon. member for Bonavista-Twillingate a naturalized Canadian might be led to believe that there is still discrimination in this section. But is there? If a naturalized Canadian in Canada, charged with treason, is convicted after a proper hearing in a proper court, he does not lose his citizenship. If a naturalized Canadian outside Canadian jurisdiction, or in another country, is summoned here to answer the charge of treason or a charge under the Official Secrets Act and appears to answer to that charge, he does not lose his citizenship. But a naturalized Canadian who refuses to come back to this country—the country of his adoption, the

country which accepted him and which he accepted—and stays away, declining to face the charge, loses his citizenship.

I do not know why we should be too much concerned about giving these characters—they are few in number, I admit—the protection of our diplomatic services in other countries when they have committed a breach of trust with the country which has adopted them as her own sons.

Mr. Pickersgill: Would the hon. member for Marquette permit a simple factual question? My question is this. Looking at the words which the hon. member read, why does he think it should be possible for the governor in council to take citizenship away from a naturalized citizen in these circumstances and not from a natural born citizen?

Mr. Mandziuk: I intend to make reference to that. I shall have that in mind in the course of my address. I regret that we have no such provision which would affect a natural born Canadian. I regret it, and I would be in complete accord with such a provision. Mr. Speaker, permit me to quote the wording of the oath which an applicant for Canadian citizenship takes:

> I, . . ., swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors, according to law, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen. So help me God.

By refusing to answer a summons to come back to this country and face—in plain language—the music, a man shows that he has no regard for Canadian law, and that he has no regard for the sovereign to whom he swore allegiance. In other words, by the very fact that he stays out of the country he convicts himself as a traitor. Mr. Speaker, I speak for the thousands and thousands of naturalized Canadians when I say that they have no respect for traitors. In particular, those who have acquired citizenship only recently, those who have come here from behind the iron curtain, know full well that it is because of traitors and quislings that the freedom of their countries was lost. I venture to dare anyone to prove that naturalized Canadians here are in favour of what the hon. gentleman has proposed.

This is the law as it stands. I am satisfied with it, and thousands of people in the same category as myself are, I believe, also satisfied with it.

The second part of this section 19 (1) which I have just quoted deals with a person who obtains a certificate by fraud, a person who misrepresents himself, goes under a false name, and so on. Well, the section now in the act sets out that a commission should hear the case, and that if it is well founded the citizenship papers should be revoked and the person concerned considered as if he had never been a Canadian citizen.

Having paid some attention to the law as it stands, let us now look at the terms of Bill No. C-2 sponsored by the hon. gentleman. I should like to put this on record, too, in *Hansard* if I am permitted:

> 19 (1) A Canadian citizen other than a natural born citizen shall not lose his citizenship for any cause for which a natural born citizen would not lose his citizenship.
>
> Where it is established to the satisfaction of the court that a person has obtained a certificate of naturalization or Canadian citizenship by false representation or fraud or by concealment of material circumstances such certificate shall be revoked and such person shall be deemed never to have been a Canadian citizen.

Bill C-2 has not too much quarrel with the present law in so far as it affects citizens who have obtained their naturalization certificates by fraud, misrepresentation or concealment of material facts. The hon. gentleman in this bill foresees the same ultimate result, namely that somebody or other is going to make a declaration that a person had never become a citizen, which is what we have now.

In spite of the fact that the hon. member for Bonavista-Twillingate was very apologetic about the way this bill was drawn up, I cannot help but give it the respect it deserves and use the wording it contains. Now I shall deal with the revocation of citizenship of one who has obtained his citizenship by fraud, misrepresentation and so on. The bill says:

> Where it is established to the satisfaction of the court—

Those hon. gentlemen who are learned in the law know that putting the definite article "the" before the noun "court" indicates a definite court, some specific court. I should like to know what court the sponsor of this bill had in mind. In section 2(b) of the act there is a definition of the court which deals with matters under the citizenship act, and I quote from section 2(h):

> "Court" means any superior, circuit, county or district court, and includes in the province of Quebec any district magistrate, and in the Northwest Territories and in the Yukon Territory, any stipendiary magistrate or any other person designated by the governor in council under this act.

He receives his authority for revoking citizenship from the governor in council. The procedure is set out in section 19 (1), (a), subsections 3 and 4. One of the members of the commission must have some experience in judicial matters. There is no designation in this bill as to who shall compose the

court. The present law contains the procedure which must be followed leading to revocation, but there is no procedure laid down in this bill at all. By deleting the preamble of the present law the hon. member has taken out the procedure as to who may initiate proceedings and what happens to them.

Mr. Pickersgill: Mr. Speaker, I wonder whether the hon. gentleman would permit me to ask a question? The hon. gentleman, of course, is learned in the law. As he knows, I am not.

Mr. Speaker: Order. I take it the hon. member is not prepared to accept the question at the moment.

Mr. Mandziuk: I will answer the question at the end.

Mr. Speaker: I cannot undertake to give the hon. member more time. That is something we will have to deal with if it arises.

Mr. Mandziuk: Mr. Speaker, I have already indicated my humble opinion on revocation proceedings against a citizen who improperly obtained his citizenship. The bulk and the body of this bill make very attractive reading, Mr. Speaker. It will look well on the hustings; it will sound well in a political gathering and on the platform that the hon. gentleman sponsored a bill which says:

> A Canadian citizen other than a natural-born citizen shall not lose his citizenship for any cause for which a natural-born citizen would not lose his citizenship.

It makes very attractive propaganda. It refers to discrimination and discrimination with a capital "D".

An hon. Member: By a member who was the king of the castle.

Mr. Pickersgill: I thank the hon. member for his compliment.

Mr. Mandziuk: I draw the attention of the house to the fact that Bill C-2 conflicts with section 18 of the act, which the sponsor of the bill should have repealed by his amendment. May I read section 18 so that it will be on *Hansard*. This is in direct conflict with the bill now before us, namely Bill C-2. Section 18 reads:

> Subject to subsections (2) and (3), a person who, since becoming a Canadian citizen, has resided outside of Canada for a period of 10 consecutive years ceases to be a Canadian citizen upon the expiration of such period.

That is a discriminatory provision which I would like to draw to the attention of the Minister of Citizenship and Immigration. This section is, of course, subject to certain exceptions. There is a provision which states that if a naturalized Canadian is serving in the army, or if he is a civil servant and out of the country for 10 years, or if he keeps in contact with the proper officers of our diplomatic corps, he can keep his citizenship in good standing. But this section does not apply to the natural born Canadian, and Bill C-2 does not repeal the section. If Bill C-2 were adopted it would be in direct conflict with section 18 of the act. How does that bring about equality of the natural born and the naturalized Canadian, in view of the fact that we still have section 18 in the act?

In closing, Mr. Speaker, I wish to sum up why I oppose this bill. It adds nothing to the present law but, on the contrary, confuses the issue in so far as the procedure for revocation is concerned. I oppose the bill because I believe it is the opinion of the naturalized Canadian that a person who betrays his country by the very fact that he refuses to return does not deserve to carry the honourable name of "Canadian". He deserves to lose it. This bill is in direct conflict with section 18 and section 18 is discriminatory. If the repeal of section 18 had been included in this amendment I would hesitate to vote against the bill. As it stands, this bill does not advance the cause of the naturalized citizen one step. This bill has no other concern than that for the Quisling who by the very fact that he refuses to come back to this country to face a charge would be able to carry on and flash to the world outside of Canada that he is still a Canadian citizen. He does not deserve that right, Mr. Speaker. I thank you.

Mr. Pickersgill: I wonder whether the hon. gentleman would now permit my question?

Mr. Mandziuk: Yes.

Mr. Pickersgill: I am glad he asked me to wait because I ask it with more force now. Does he not feel that any difficulties in drafting for which I, to use his own words, apologize, could well be corrected in committee? I would be very happy indeed, if there is any conflict between this bill and section 18, as I think the hon. gentleman established, to see it changed.

Mr. Mandziuk: Mr. Speaker, in answer to the question, I am not attacking Bill C-2 on its grammatical or syntax construction at all but I am attacking the very essence of it. I think I made it clear to this house where I as a naturalized Canadian stand. I hope that answers the question.

Mr. Crestohl: Will the hon. gentleman answer one more question? I think the last point the hon. member made was a very

formidable one, when he spoke about a traitor deserving to lose his citizenship. Would he not say that a man, even though he is natural born who is a traitor should likewise lose his citizenship?

Mr. Mandziuk: I am glad the hon. member brought this to my attention. I had it in my notes and I missed it. I regret that no similar provision exists with respect to a natural born citizen. I regret it and therefore I am in perfect agreement with the hon. member.

Mr. Crestohl: We are in agreement on that.

Mr. Frank Howard (Skeena): Mr. Speaker, I hope to be able to look at the bill before us in a rather dispassionate way, this being the approach that I think we should take to as much of the legislation coming before us as possible, especially legislation that affects the rights of individuals. I believe the hon. member for Bonavista-Twillingate (Mr. Pickersgill) in introducing the bill and moving the motion for second reading deserves some commendation; first, for the purpose of the bill which relates to complete equality of status between natural born and naturalized citizens, which may or may not be achieved by the wording of the bill and, second, for his ability in defending his actions when he was minister and was in a position to deal with some of the discriminations which were removed from the act last session.

The rather devastating speech of the hon. member for Marquette (Mr. Mandziuk), to which we have just listened, should add more weight to the suggestion put forward by the hon. member for Bonavista-Twillingate, a suggestion that I also made in an earlier proceeding in the house. Many public bills sponsored by private members are not drafted in properly acceptable form and may not be in complete conformity with other sections of the act they seek to amend or with other acts but nonetheless I suggest that if bills are poorly worded that should be overlooked and an attempt made to get at their essence. I suggested on another occasion that we should not be too critical of the wording of such bills and that after they receive second reading they should be referred to a standing committee of the house which could deal with all the ramifications and interconnections between the bill under consideration and any other acts then in force. That committee would be able to consult with and draw upon the experience of departmental officials and the people who deal with the drafting of bills and we would thus be able to get correctly worded legislation which would in fact reflect the announced intention or purpose of the bill.

Whether or not the bill now before us achieves that purpose is a debatable point. In my opinion there is conflict in some degree between the amendment sought and the announced purpose of the bill. Amendments were made to the act last session but if we had not had to consider them in the last few days of a lengthy session at a time when we were sitting on Saturday and also every morning and evening probably more consideration could have been given to the thoughts I should like to express with respect to the proposal now before us and the manner in which we can amend the act to meet the announced purpose of the hon. member for Bonavista-Twillingate.

I am sure that all of us agree with the purpose of bringing about equality of status between natural born and naturalized citizens. I had rather hoped that the bill might have been drafted in a little better form and that it would have covered the suggestions which I intend to make. I am sure it would then have met the desire of the hon. member for Bonavista-Twillingate and would have been acceptable to the minister and to the hon. member for Marquette.

Before I go into that matter, I should like to point out that the hon. member for Marquette, speaking, as I said, in a very devastating way, made a complete analysis of the effect the amendment would have in the light of other sections of the act as it now stands. Apart from his introductory remarks and his personal interest in the subject as a naturalized Canadian citizen, he based his entire objection to the bill on the matter of a naturalized citizen refusing to return to Canada after having been charged with an offence. He did refer to section 18 but if there is any discriminatory feature involved that could easily be straightened out by a standing committee of the house in line with the purpose and intention behind the bill.

The act makes little reference, I submit, to refusing to return even though it can be inferred. Too much emphasis was placed by the hon. member on the matter of refusal to return to justify a position contrary to the idea expressed by the hon. member for Bonavista-Twillingate.

If I may do so, Mr. Speaker, and I think I will be within the rules as others have already done so—I am sure you will correct me if I am wrong—I should like to refer to section 19 (1) (a) of the act which says that a person shall cease to be a Canadian citizen if he has done certain things. He shall cease to be a Canadian citizen if he "having been charged with the offence of treason under the criminal code or with an offence under the Official Secrets Act, has failed or refused

to return to Canada voluntarily within such time as may be prescribed in a notice sent by the minister."

I think we should examine the question of failure to return. So far as the section of the act which the bill intends to amend is concerned, during the last session I had quite a lengthy discussion with officers and members of the Canadian citizenship council, not only about the effect of this proposal but the effect of another amendment proposed last session which the minister was kind enough to withdraw. We should apply ourselves to drafting legislation in compliance with the announced intention of the bill which I am sure coincides with the intention of every member of the house, namely to give complete equality of status to natural born and naturalized citizens. I do not think there is any difference between us so far as that being our hope but if we are to draft a law that will fulfil that intention I submit we should approach the present section of the act not from the point of view expressed in this bill by the hon. member for Bonavista-Twillingate but with this thought in mind.

Let us take the example of a naturalized Canadian citizen who may hold a very responsible position in a corporation, a profession or even in the civil service. Let us say that he departs from Canada for business, professional or other reasons and shortly after his departure a charge is laid against him for treason or an offence under the Official Secrets Act about which he had no knowledge at the time of his departure. Let us say that the charge is laid only a day or two after he leaves. He may be in the position of having made arrangements to be away from the country for business or professional reasons for a lengthy period of time. Now, I know that the minister who now heads this department would be very generous in circumstances of that nature and would give a very lenient interpretation to the section I have just described. However, we may not have this hon. lady as minister of this department forever. The mortality rate in politics is very high. If she does not fall by the wayside at election time, she may be elevated to a higher post, or indeed this government may not be the government at that time.

We should draft our legislation in this connection with these circumstances in mind. Provision should be made for the extension of the time period during which a person may be away from the country, depending on certain circumstances, and it should not be left to the generosity or lack of it of the particular minister who may be in office at that time. If we were to legislate that a person may return to Canada within a certain period of time, if there is a preliminary inquiry into such offence or a trial, the period of time could be based on the normal length of time it takes between the laying of the charge and the case coming to court, and could take into account also travelling conditions between this country and other countries. In addition, arrangements could be made so that the governor in council may extend that period if the person makes application to have it extended. I believe this would completely meet the announced purpose of this particular bill.

Mr. Speaker: Order. If I may say so, the hon. member's remarks for the last few minutes would be more appropriate for the committee stage of the bill than during debate on the principle of the bill.

Mr. Howard: If I may have your indulgence for a moment, I should like to explain my reason for feeling it was necessary to go into details. If this were a bill which had been presented by a cabinet minister then it would reach the stage of being voted upon and ultimately the committee stage. However, I doubt if that will happen in this case.

Mr. Speaker: The hon. member should indicate no such assumption.

Mr. Howard: I am being guided by past experience in this house in so far as these bills are concerned. It was for that purpose I ventured into the details of the bill which should be dealt with more properly at the committee stage.

I hope, in any event, that the assumption I made that this bill would not be voted upon is completely unfounded, and that we do have a vote on second reading. Regardless of the opinion expressed by the hon. member for Marquette (Mr. Mandziuk), my hope is that if the hon. lady enters this debate she will indicate it is the desire of the government to have this bill voted upon, and that she desires to have it referred to a committee for the purpose of seeing that there is complete equality of status between natural born citizens and naturalized citizens.

If the committee will deal with it in that light, and review the comments I have made, as well as my reference to section 18 of the act, we may then have legislation which will fully meet the desires of the hon. member for Bonavista-Twillingate, the newly revived Liberal party, as well as of the C.C.F. as expressed over many years and of Conservative members who have expressed opinions along the lines of my suggestions. If the matter is referred to a committee, and these suggestions are accepted, then we will be moving in the direction of complete equality amongst all people in Canada.

Mr. Murray Smith (Winnipeg North): It has often been said in this house by the hon. member for Bonavista-Twillingate (Mr. Pickersgill), who has proposed this bill, that the Conservative party is a party of confusion. He has, on numerous occasions, stated that the Prime Minister (Mr. Diefenbaker) is confused and that our policies are confused. It has sometimes been said that he who propounds imaginary faults in another is merely covering up a fault which he knows he himself has. I submit that that is borne out by the fact that today we have before us a bill which is worded exactly the same as the amendment that the hon. member proposed to a bill introduced in this house on September 6 last. In the interval, I submit the hon. member has been so confused in trying to find a good way of attacking the policies of the government that he has neglected to consult his former colleagues who used to occupy the treasury benches to ascertain just how this bill should have been drafted. He now brings before us a series of confused words which would merely result in putting confusion into the Canadian Citizenship Act.

This bill is in direct conflict with section 18, as has been pointed out by the hon. member for Marquette (Mr. Mandziuk). This bill also deletes the present section 19 (1) and hence no procedure for the institution of revocation proceedings would be provided. On that basis, I think it is impossible for this house to register an affirmative vote on this bill. The hon. member for Bonavista-Twillingate has gone to some lengths to state that by introducing this bill, and by its passage in this house, we would remove discrimination from our statutes and would place naturalized Canadians on an equal footing with natural born Canadians. If my memory serves me correctly, the Liberal party by their policies in the past have thrived on discrimination. We have heard, and indeed I have fought it in my own constituency, that the Conservatives are anti-French; that they are anti-Quebec; that they are anti-Catholic; that they are anti-Protestant; and that they are anti-everything under the sun.

We have heard also of people jumping on bandwagons. We have heard the hon. member mention something about a quotation that has now become fairly famous in the political history of this country. In order to refresh his memory, I should like to refer to a report that appeared in the Toronto *Globe and Mail* of April 14, 1955. The dateline is Victoria, April 13, and I quote:

> The best way to increase the population of Canada is by the cradle, immigration minister Pickersgill—

Mr. Speaker: Order; before the hon. member proceeds perhaps he would tell me how what he is reading relates to the principle of this bill.

Mr. Smith (Winnipeg North): As I understand it, Mr. Speaker, the bill is intended to eliminate discrimination and possibly I am straying somewhat far afield. However, I believe the former minister asked that his memory be refreshed or at least he made a statement to the effect that no newspaper had ever quoted what I was just about to quote. However, it is the famous "Canadian babies" statement. If the hon. member would like to read it I should be glad to pass it over to him.

Mr. Pickersgill: Oh, I have read it before.

Mr. Smith (Winnipeg North): Mr. Speaker, I should now like to mention just how this Conservative party has eliminated discriminatory clauses in the Canadian Citizenship Act. This was pointed out by the hon. member for Marquette. Indeed, we might well ask the question why this had not been done when the hon. member for Bonavista-Twillingate was the minister. I do not believe we have received a satisfactory reply. By proposing this bill I submit that the hon. member has done one of the biggest about-faces that we have seen in recent times.

First of all, I should like to point out again that there is no discrimination in Canada at the present time. By that I mean there is no difference between a naturalized Canadian and a natural born Canadian. It is true that a naturalized Canadian can lose his citizenship if it is proven that he has obtained it by fraud. But I submit that in such case he has not lost anything because he never had anything to lose in the first place and therefore there is no discrimination there. The section which the hon. member seeks to do away with is the one which states that if a naturalized Canadian is charged with treason and, being out of the country, refuses to come back and stand trial, his citizenship may be revoked.

Mr. Pickersgill: Or has failed to come back.

Mr. Smith (Winnipeg North): But that section does not affect anyone residing in Canada. Any naturalized citizen who stays in Canada and stands trial cannot have his citizenship revoked.

Let us examine for a moment the question of who would be affected by this clause. Naturally the only person who would be affected would be one who commits treason. In this day and age who would be a likely person to commit the offence of treason in this country? I submit that it would be a person who believed in the communistic

ideology. Therefore, in all probability, he would be a person who would have dual citizenship. In other words, he would retain his original citizenship even though he became a Canadian citizen. In such a case, if he were charged with treason and refused to come back and stand trial he would be able to travel all over that block of nations and brag about being a Canadian. I do not think that I or any other Canadian, whether he be natural born or naturalized, would like to look upon a situation of that nature.

I speak with feeling on this subject because I represent a constituency that is composed of Canadians of practically every racial origin who follow various religious beliefs. Among my constituents I have Ukrainians, Poles, Germans, Czechoslovakians, Jews and many others. Many of them have come to this country in recent years and know what it is like to live near or under a communist regime. I know that all of those people who have become naturalized and are now Canadians would not criticize this or any other government for revoking the citizenship of one of their own number who was charged with treason and failed to stand trial. These people feel that the government, rather than pass a bill of this nature should include in its citizenship act new sections to deal a little bit more effectively with known communists in Canada. The people of my constituency feel strongly about this matter because of the fact that at this very moment Mr. W. C. Ross, who ran as a Labour Progressive candidate in the March 31 election, is now attending the mass rally of the communist party of the Soviet union in Moscow.

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

Mr. Smith (Winnipeg North): Yes.

Mr. Crestohl: Can the hon. member tell the house whether this gentleman whom he has just named is a native born Canadian?

Mr. Smith (Winnipeg North): I am sorry, Mr. Speaker, but I have not that information. I do not know whether he is a native born Canadian or a naturalized Canadian. However, I do not think the question makes any difference. What I am suggesting is that my constituents feel that rather than pass a bill of this nature we should be looking into the possibility of putting on the books more effective legislation to deal with communists, whether they be native born or naturalized.

Mr. Crestohl: But equally.

Mr. Smith (Winnipeg North): I should like to submit, Mr. Speaker, that this clause which provides that the government may revoke the citizenship of a naturalized Canadian who refuses to return to the country and stand trial for treason can be looked at in a different way. If a Canadian citizen is abroad and refuses to return, I submit that any time he sets foot within the British commonwealth of nations or certain other countries extradition proceedings can be taken to bring him back to Canada to stand trial. By revoking the citizenship of a naturalized Canadian under the same circumstances I submit that you make it practically impossible for him to return and be tried and hence you make it practically impossible for this country to punish him. Looking at the situation in that light, it could be argued that you were in fact giving the advantage to the naturalized Canadian.

However, such an argument may be called farfetched. Indeed, a great many of the arguments which are advanced on this bill may be called farfetched, whether they be for or against, because how often in the past or how often in the future will the situation arise where this section in fact will have to be invoked? I think that should be taken into consideration.

Of course, the hon. gentlemen to my right may say that because of that fact the section will not be used very often, or may not be used at all, so why have it on the statute books? Of course, one could get into an endless series of arguments along that line. Why, for instance, have certain sections in the Criminal Code under which we do not prosecute very often? I submit that this section should be on the statute books in case the situation does arise, and then extraordinary action will not have to be taken at that time.

I suggest that naturalized Canadians coming to this country will back this section, because they know what it is like to have traitors among them. They know, as we all do, who our potential enemy is, namely the people who believe in the communist ideology. Naturalized Canadians who have seen this ideology and have seen the actions of men who believe in it would certainly not tolerate any person who follows that ideology and becomes a traitor to this country.

I submit that this bill is an attempt by the Liberal party once again to charge our government and our party with being discriminatory to certain groups or individuals in this country. When the people of this country are told, and when it is emphasized to them, that the only time a naturalized citizen's certificate of citizenship may be revoked is when he is charged with treason and refuses to return to stand trial; when that is communicated to all of the naturalized citizens in this country they will back the legislation 100 per cent.

I also submit, Mr. Speaker, although I may be anticipating, that if the Liberal party or any of its members label this section in our act discriminatory to naturalized Canadians residing in Canada they are doing a disservice to this country which is comparable to the disservice they are doing by their cries about unemployment and other matters affecting our economy.

Therefore, I find that for two reasons I cannot support this bill. Firstly, because it would place confusion into the Canadian Citizenship Act, and I suggest that, no matter how much amending was done, I doubt if it would accomplish the purpose that the proposer intends. Secondly, I feel that the naturalized Canadians in Canada will not tolerate, any more than any of the rest of us, a person who commits treason and then refuses to stand trial.

Mr. Hubert Badanai (Fort William): Mr. Speaker, I am very much interested in this bill. Contrary to the opinion expressed by my hon. friend from Winnipeg North (Mr. Smith) to the effect that this bill is being introduced just to oppose the government, I do not think it serves that purpose in this case. This bill, in effect, contains the proper safeguards which will ensure to all Canadians, whatever their origin, complete equality in letter as well as in spirit. No one is so naive as to believe that the present act provides equality to naturalized citizens, as opposed to that which is enjoyed by natural born Canadians. As the law stands now any naturalized Canadian citizen is subject, under certain circumstances, to the loss of his citizenship. Therefore, it cannot be regarded as anything but an act still perpetuating a discrimination. We would readily admit that the changes brought about by the introduction of Bill No. C-58 did make certain improvements which were, indeed, welcomed by the members on this side of the house. But they did not go all the way to granting that equality which is now being enjoyed by natural born Canadians.

When the Minister of Citizenship and Immigration (Mrs. Fairclough), for whom I have the greatest admiration, moved the second reading of Bill No. C-58 she had this to say and I quote from *Hansard* of September 5, 1958, as reported on page 4690:

> The amendment will repeal the existing subsection (1) of section 19 altogether, but it must be noted that under the amendment the naturalized Canadian citizen can still have his Canadian citizenship revoked by the governor in council if he is charged with a treasonable offence and, being abroad, fails to return to Canada and stand trial for that offence.

The hon. lady clearly stated that under certain circumstances a naturalized Canadian can lose his citizenship. Notwithstanding the passing of Bill No. C-58 during the last session to amend the act—it did improve the old act, as we admit—it left a discriminatory section in the act. This amendment, moved by the hon. member for Bonavista-Twillingate (Mr. Pickersgill), the minister of citizenship and immigration during the former Liberal administration, a man who has a profound knowledge of the subject, would bring equalization of rights, as well as responsibility, with the natural born Canadian. The approval of this amendment, I submit, would please a great many men and women in every constituency in Canada, including that of my hon. friend from Winnipeg North. I am sure there are many naturalized Canadians in his constituency as there are in all. We are anxious to see Canada a peace-loving nation, with a single concept of citizenship, fulfilling the hopes and the prophecies of our pioneers.

I do not intend to speak at greater length on the bill, because I do not wish to see it talked out. I should like to see it brought to a vote as soon as possible, and I trust that when the roll is called every member will vote for the measure notwithstanding what has been said against it, because I have the feeling that thousands of Canadians from coast to coast will watch with more than passing interest to see whether or not this parliament will approve the principle of equal rights and equal responsibilities for all Canadians.

Mr. John MacLean (Winnipeg North Centre): Mr. Speaker, when one first looks at this bill he would probably believe it to be a worthwhile bill to present to the house. The only impression one would draw from reading the bill is that there is at present discrimination in Canada between natural born and naturalized Canadians.

Then if we read in the explanatory notes the purpose of the measure, we would probably think that it is a great deal more commendable, for the purpose as set out is to give complete equality of status with natural born citizens to citizens who are other than natural born by removing discriminations which now exist in the law.

The hon. member for Marquette (Mr. Mandziuk) has pointed out that if this bill were accepted there would in consequence arise direct conflict with section 18 of the present act which provides quite another ground upon which the citizenship of a naturalized Canadian may be taken away—not by revocation, but by time lapse. This will be one ground, in particular, with which this bill does not deal. The hon. member for Bonavista-Twillingate (Mr. Pickersgill) may

at this very moment be considering the introduction of an amendment to repeal section 18 of the act in order to make this bill more acceptable to the house. However, I would point out that section 18 and section 19 (1) are only some of the grounds upon which a naturalized Canadian could lose his citizenship. In addition there are also grounds upon which a natural born Canadian may lose his citizenship and I would refer in particular to section 4 of the act, which reads as follows:

4. A person born before the 1st day of January, 1947, is a natural born Canadian citizen

(a) if he was born in Canada or on a Canadian ship and had not become an alien before the 1st day of January, 1947; or

(b) if he was born outside of Canada elsewhere than on a Canadian ship and his father, or in the case of a person born out of wedlock, his mother

(i) was born in Canada or on a Canadian ship and had not become an alien at the time of that person's birth, or

(ii) was, at the time of that person's birth, a British subject who had Canadian domicile, if, before the 1st day of January 1947, that person had not become an alien, and has either been lawfully admitted to Canada for permanent residence or is a minor.

Section 6 goes on—and remember this applies to a Canadian citizen:

6. (1) A person who is a Canadian citizen under paragraph (b) of section 4 or under paragraph (b) of subsection (1) of section 5 ceases to be a Canadian citizen upon the expiration of one year after he attains the age of twenty-one years unless, after attaining that age and before the expiration of the said year,

(a) he asserts his Canadian citizenship by a declaration of retention thereof, registered in accordance with the regulations; and

(b) being a national or citizen of a country other than Canada, he files in accordance with the regulations a declaration renouncing the nationality or citizenship of that country.

This is one ground which is singularly applicable to the natural born Canadian, and in consequence of which he can lose his citizenship. Moreover, it is a matter not taken into consideration in the present bill.

There is also a further ground upon which a natural born Canadian can lose his citizenship, and one which has no application whatsoever to the naturalized Canadian. I refer the house to section 20 of the present act, subsection 1:

20. (1) Where the responsible parent of a minor child ceases to be a Canadian citizen under section 15, 16, or 17, the child thereupon ceases to be a Canadian citizen if he is or thereupon becomes, under the law of any country other than Canada, a national or citizen of that country.

(2) Where the responsible parent of a minor child ceases to be a Canadian citizen under section 18 or 19, the governor in council may, in his discretion, direct that the said child shall cease to be a Canadian citizen if he is or thereupon becomes, under the law of any country other than Canada, a national or citizen of that country.

[Mr. MacLean (Winnipeg North Centre).]

I submit to the house that there are sections which apply exclusively to naturalized Canadians with regard to the revocation of citizenship or the losing of citizenship through time lapse. I also point out that there are sections which apply only to a natural born Canadian with regard to revocation of citizenship, or time lapse, and on this basis alone it is my contention that the bill presented to the house by the hon. member is no good at all.

The purpose of the measure is to introduce complete equality of status, and that is commendable, but how is this to be done until sections 4, 18, 20 and 19(1) of the act are repealed?

This is the first reason why I consider the bill to be a bad one, and why I cannot support it even though the principle set out is commendable. If hon. members will read through the citizenship act, as I did after this bill came to my attention—as a matter of fact I read it very thoroughly—I think they will agree with me that in Canada today, in general there is equality as between the natural born citizen and the naturalized Canadian. There are, perhaps, some occasions on which a natural born Canadian can lose his citizenship and some occasions on which a naturalized Canadian can lose his citizenship. There is not exact equality, but in general there is equality. This bill purports to do something which has already been done. I do not doubt the sincerity of the hon. member for Bonavista-Twillingate in presenting this bill to the house. I do not doubt his motives at all, but I say that in Canada today bona fide loyal Canadians, whether natural born or naturalized who have committed no offence against the crown or against the Official Secrets Act, and who have not committed fraud in an application for citizenship, enjoy complete equality in this country.

Some hon. Members: Hear, hear.

Mr. Winch: No, he does not.

Mr. MacLean (Winnipeg North Centre): He does.

Mr. Winch: He can be deported.

Mr. MacLean (Winnipeg North Centre): May I also remind the house that this bill purports to deal only with disloyal Canadians, that is the point I am now trying to make. There is no quarrel before the house now with regard to the revocation of citizenship where there has been fraud or misrepresentation or concealment of fact in an application for citizenship. The only dispute arising now is with regard to treason. On first look at the bill and the explanatory note, which by the way refers to equality of

the status of Canadians, it looks like it refers to all Canadians. But I want to make this point clear and it is an important one. This bill in fact and in principle deals only with the subject matter of disloyal Canadians.

Hon. members might wonder why I am on my feet talking about this. I am a natural born Canadian, not a new Canadian in this country, but in my constituency and in the constituency of Winnipeg North we have probably 75 per cent or 80 per cent of the new Canadians who have settled in Winnipeg. This provision with regard to revocation of citizenship of naturalized Canadians who leave this country and will not return to answer a charge of treason is a very important matter to the new Canadians in those two constituencies. To the new Canadians in my constituency I know it is very important. They want it retained. I am sure that if the hon. member for Bonavista-Twillingate will take the opportunity to talk to some of our new Canadians he would realize that this is so.

The only thing he is asking for in this bill is that equality should be given to all disloyal Canadians. Let us make that point clear. If that is not so, I enjoin my friends to my right to show me where I am wrong.

Mr. Crestohl: Would the hon. member like to answer a question on that very point? He speaks very eloquently about the measure being a bill to deal with disloyal Canadians. Can he indicate where it deals with disloyal Canadians who are native born? It deals only with disloyal Canadians who are naturalized. I would agree with him entirely if he could point out where the measure deals with disloyal Canadians who are natural born.

Mr. MacLean (Winnipeg North Centre): If the hon. member for Cartier would look over our citizenship act I am sure he would agree with me that at the present time in Canada we have in general equality between our naturalized Canadians and our natural born Canadians.

Mr. Crestohl: With this exception.

Mr. MacLean (Winnipeg North Centre): I agree with him on that point. The only further consideration that this bill brings out is the repeal of subsection (1) of section 19 which deals with the charge of treason, which is one part of it. The other part has to do with an application for citizenship based on fraud. There is no dispute on the second part in so far as I am concerned. Therefore, the bill narrows down only to this one provision of revoking citizenship with regard to treason.

The explanatory note of the bill reads:

> The purpose of the amendment is to give complete equality of status with natural born citizens to citizens other than natural born citizens by removing the remaining discrimination in the present law.

Therefore, the only remaining discrimination in the present law is the fact that naturalized Canadians who commit an act of treason outside of this country have their citizenship revoked. Thus, the only persons that this bill deals with are disloyal Canadians and it says in effect that it is wrong to have discrimination with regard to disloyal Canadians. Let us make it fair for all. Let us take away this revocation of citizenship of disloyal naturalized Canadians. I cannot see where I am wrong when I say that the only Canadians this bill deals with at all are disloyal Canadians. The bona fide, honest, loyal Canadians, regardless of whether naturalized or natural born, are equal in every respect in this country and have no consideration at all in this bill.

Mr. Pickersgill: Will the hon. member permit a question? I did not want to interrupt his argument. My question is, does not this remaining provision in the existing act refer to people who have been accused and never tried and never convicted? Is it not true that the amendment for which the hon. gentleman voted at the last session made it impossible for the governor in council in the future to revoke the citizenship of a person like Mr. Fred Rose who was convicted and subsequently left the country? His citizenship was revoked when I was minister but it could not be revoked since the amendment for which the hon. gentleman voted, and which was passed by the house at the last session. What the hon. member is saying is that an accused person should be deprived of his citizenship but a convicted person should not.

Mr. MacLean (Winnipeg North Centre): The hon. member for Bonavista-Twillingate is trying to wriggle out of it. He is not denying what I am saying.

Mr. Pickersgill: I am asking the question.

Mr. MacLean (Winnipeg North Centre): I will answer the question. What he is saying is this. If a naturalized Canadian in this country is charged with treason and stands trial his citizenship will not be revoked.

Mr. Pickersgill: Even though he leaves the country.

Mr. MacLean (Winnipeg North Centre): He says that is all right.

Mr. Pickersgill: That is the law as you made it.

Mr. MacLean (Winnipeg North Centre): The hon. member is saying it is all right; he has not got an amendment to that in this bill.

Mr. Pickersgill: Because your minister amended it at the last session and you voted for it.

Mr. MacLean (Winnipeg North Centre): What the hon. member is saying is that if a person goes outside this country and commits an act of treason it is wrong to revoke his citizenship. That is the only point he is dealing with in this bill. He is saying, let us be fair. If we are going to do this for just disloyal naturalized Canadians, let us also do it for disloyal natural born Canadians, or let us not do it for either. But the point still remains that the bill deals only with disloyal Canadians—

Mr. Pickersgill: Accused and not tried.

Mr. MacLean (Winnipeg North Centre): Accused of disloyalty.

Mr. Pickersgill: That is the new bill of rights.

Mr. MacLean (Winnipeg North Centre): The hon. member probably had that in mind.

I would like to clear up some misunderstanding here. The hon. member for Fort William (Mr. Badanai) says that the governor in council can revoke only the citizenship of a naturalized Canadian when he commits an act of treason and is abroad, but I would refer to section 19 (1) (a) of the act which reads:

> Where in the opinion of the minister a doubt exists as to whether a person has ceased to be a Canadian citizen, the minister may refer the question to the commission or court referred to in subsection (4) of section 19 for a ruling and the decision of the commission or the court, as the case may be, shall be final.
>
> (2) Upon the hearing of any reference under this section the commission or the court, as the case may be, may receive and base its decision upon evidence considered credible or trustworthy by it in the circumstances, and in respect of any such reference to a commission the provisions of subsection (5) of section 19 apply *mutatis mutandis*.

This certainly does not leave the discretion or the power entirely in the hands of the governor in council.

There is one further point I might make. Some members do not realize that this is not a question of automatic revocation. It is in the discretion of the governor in council. We may have an example of a naturalized Canadian who probably commits treason and whose citizenship may not be revoked until there is a definite, absolute finding that he will never return to Canada.

With regard to the second part of the bill which the hon. member for Bonavista-Twillingate has proposed to this house, I submit that he goes much farther than the way in which it is set out in the act today. With regard to the naturalized Canadian obtaining a certificate of citizenship by false representation or fraud or concealment of material facts, he would have this tried by the court, whatever court it may be, and the finding of this court shall be that the person shall be deemed never to have been a Canadian citizen. At the present time the governor in council acts only after the commission has met and all mitigating circumstances have been taken into consideration. Under the present act, if there are mitigating circumstances—and I know this has happened in the past, where fraud has been proven—the citizenship has not been revoked. All those circumstances are taken into consideration. Once you place this matter before a court for a finding of fraud which is based in statute law, the finding of that court of guilty or not guilty cannot be swayed by mitigating circumstances. This part of the proposed bill goes much farther. It is much stricter and much sterner for the naturalized Canadians than is the present act today.

I have attempted to give the house some of my thoughts on this bill. It is probably the most muddled and confused bill I have ever seen in connection with one of our statutes for quite a long while and I am not talking only about my experience in the house. I have had occasion in previous years to read the bills passed by this parliament. For the reasons I have outlined and the facts I have tried to place before the house I sincerely cannot support this measure.

Mr. Pickersgill: Will the hon. member permit me to ask one question? Was he in the last part of his speech asking for the substitution of government by order in council for the rule of law in the courts?

Mr. MacLean (Winnipeg North Centre): I believe that is a very facetious question.

Mr. Pickersgill: No; it is a very serious question. We used to have most serious speeches made by your leader on that subject.

Mr. MacLean (Winnipeg North Centre): I am sure any serious speeches made by my leader were listened to and well received by the hon. member for Bonavista-Twillingate. The rules of courts of justice in this land are definite and declared. There are certain reasons why these citizenship matters have as yet never been put before our present courts of law. As the ex-minister of immigration the hon. member for Bonavista-Twillingate realizes what they are. In fact, if there is anyone in the house who knows the reasons better than I do it is the same gentleman who asked the question.

Mr. Reynold Rapp (Humboldt-Melfort): Mr. Speaker, in rising to take part in this debate I should like to say at the outset that it is not my intention to go into the legal aspects of the bill and the amendment contained therein. That has been done by my colleagues. Rather, I should like to express my opinions, impressions and observations as a naturalized Canadian. Before one can be a naturalized Canadian he must first be an immigrant. Consequently, he must meet the many requirements of the department of immigration. He must comply with the laws and other requirements of the country and he must be able to speak one of the official languages. In other words, he must have the right qualifications to be able to obtain Canadian citizenship. The citizenship that he receives entitles him to all the rights and privileges of our Canadian democratic system but he must qualify for the honour of citizenship and rightly so.

The decision of the immigrant who comes to the country was very likely precipitated by one of the following reasons. First, the economic conditions of his homeland were such that he was unable to make his living. Second, the political atmosphere and the conduct of state affairs in his homeland were such that it was unbearable for him to live under those conditions.

New immigrants who seek entry to Canada can be divided into two distinctly different groups. We find those who have a burning desire to come to Canada and make Canada their home. After they establish themselves they adapt readily to local conditions and it seems that they prosper quite well too. They seldom if ever become charges of the government. They are true immigrants and inevitably become true Canadians too.

In the other group we find people whose intentions are altogether different from those of the first group. They come here more or less for materialistic reasons. If the climate is right and they prosper reasonably soon they may stay here for a long time. They may locate in other places or eventually they may take out their citizenship papers.

Whether an immigrant comes to Canada for one reason or the other or belongs to one group or the other, his national ties with his homeland and his ties with his own people will stay with him for a long time and may never be severed entirely. This is a very dangerous situation indeed, and if he finds himself in such an unhappy position, feelings for his homeland and for his people may readily lead him to commit acts that will be detrimental to his adopted country, Canada, and eventually may result in deportation and loss of citizenship. In times of wars, revolutions or uprisings this is not uncommon. It is indeed a tragedy if he should lose his citizenship and the government should be forced to apply the laws and regulations of the Canadian Citizenship Act.

On the other hand, could one expect our government not to take the necessary steps to protect the interests of Canada and its people? The rights and privileges that the Canadian people possess did not just happen. They were achieved by these people through hard work, through sacrifices, and in many cases at the cost of their lives. Is it then unreasonable to apply to offenders the laws that are spelled out in the act which the bill before us seeks to amend?

Much as I respect the hon. member for Bonavista-Twillingate (Mr. Pickersgill), I cannot see any reason to amend the act by deleting paragraph (a) of subsection 1 of section 19 which now reads as follows:

> (a) having been charged with the offence of treason under the Criminal Code or with an offence under the Official Secrets Act, has failed or refused to return to Canada voluntarily within such time as may be prescribed in a notice sent by the minister to such person at his last known address and has not appeared at the preliminary inquiry into such offence or at the trial of such offence, or both, as the case may be.

The listing of these offences is very important to the new Canadian, many of whom are not too familiar with the official languages and such people could interpret the provision wrongly if the section were to be amended as suggested. By having the offences listed in the act there is less chance of offences being committed. The proposed amendment reads as follows:

> A Canadian citizen other than a natural born citizen shall not lose his citizenship for any cause for which a natural born citizen would not lose his citizenship. Where it is established to the satisfaction of the court that a person has obtained a certificate of naturalization or Canadian citizenship by false representation or fraud or by concealment of material circumstances such certificate shall be revoked and such person shall be deemed never to have been a Canadian citizen.

The other point that has been brought forward in argument on other occasions is that a natural born citizen is treated differently from a naturalized one. It is interpreted from this that we have first class and second class citizens in our country. In my opinion, this is indeed a very flimsy argument and one must be careful not to use it because the expression "second class citizen" could be offensive to the naturalized citizen and unjust as well. I have never heard so much about first and second class citizens as I have since coming to this chamber. I am making this assertion with some feeling. This subject has been played up so much during the last

session that people who never heard of it before are beginning to wonder if there is such a thing as a first and second grade of Canadians in the opinion of some people in Canada.

Let us remember that one-third of all our population consists of stock other than English and French. About one-third of these people, at one time or another, came here as immigrants and became naturalized Canadians. They are not second class citizens. Surely, the 20,000 voters in my constituency of Humboldt-Melfort, who are of many nationalities and who voted for me, were fully aware of the fact that I am a naturalized Canadian. I must say, in all fairness and with respect for those people in my riding who voted for the other candidates, that they did so not because they did not want to be represented in parliament by a naturalized Canadian or second class citizen.

I believe every naturalized Canadian realizes that he is an adopted child of this country and is most anxious to prove himself to be a worthy member of this Canadian family. He knows that he may share not only in the benefits but must do his part to make Canada a country in which justice prevails for all citizens on an equitable basis. What I have just stated, Mr. Speaker, is not merely my own opinion about a naturalized Canadian. I should like to quote from the Saskatoon *Star-Phoenix* of January 28, in which Mrs. Laura Schippers, a Dutch born immigrant, had this to say:

> Laura Schippers was so pleased at being made a citizen of Canada that she wanted to shout about it.
>
> So, the Dutch-born Mrs. Schippers did the next best thing—she wrote about it.
>
> She told friends here of a card she had printed and mailed to about 50 friends and kinfolk.
>
> The inscription:
>
> "With gratitude to God and good friends and with deep love for Canada, I hereby announce that today, after overcoming many difficulties, I had the great privilege to pledge my allegiance and loyalty to Canada and her sovereign and that from this day on I am a Canadian citizen."
>
> Mrs. Schippers, the editor of a Dutch-language weekly newspaper published here, paid $15 to have the cards printed.
>
> "It was my own idea," she said. "I was proud of becoming a Canadian and I wanted to tell people about it."

I am sure Mrs. Schippers could never have written the inscription on the card or spoken those words had she felt that she had not been given complete equality of status with natural born citizens. She felt that the citizenship that she received gave her the same equality as any other citizen in the country. Therefore, Mr. Speaker, I must disagree with the proposed amendment to this section, and I will vote against it.

[Mr. Rapp.]

Mr. W. H. McMillan (Welland): Mr. Speaker, I am glad to rise in support of this amendment to the citizenship act which, if it passes, will make all Canadians equal and remove any discriminatory feature in that act. I believe it is most appropriate at this time that all members of the house should do everything they can to remove any discrimination in any act, and particularly in the citizenship act because we have had notice of the government's intention to introduce this year the long heralded bill of rights. I should think that a bill of rights, if it means anything to us, should mean we will have greater freedom in this country than we had before. Otherwise, there would be no reason for introducing it. I would think that we should not have any skeletons in the closet in Canada when we introduce a bill of rights.

Now, by continuing the citizenship act as it now stands we are, in fact, saying that certain members of this house, and very good Canadians, have not the same rights in Canada as citizens as most other Canadians have. We have heard some of these men speak here today. I believe this amendment provides the proper safeguards against anyone trying to obtain citizenship by fraud. In such a case a person would be deemed never to have been a Canadian citizen. The same provision would apply in the case of an alien getting a birth certificate by fraud. He would be deemed never to have been a Canadian. When a natural born citizen commits a crime, such as treason, and a naturalized citizen commits the same crime, they both should be subjected to the same punishment.

I believe that the people in the county of Welland who are naturalized citizens would want me to vote for this amendment. I realize that some people might lose their citizenship by misadventure. According to section 19 (1) a man has only to be charged with treason. He may be living in a foreign country, and if he were charged with treason in our courts how would he know he had been so charged? The minister sends out a notice that he is to appear in a certain place within a certain time, and that notice has to be sent to his last known address. This letter might not arrive. We have an excellent postal service in Canada, but sometimes we read about a letter being delivered a year after it was sent. That is true since our present Postmaster General (Mr. Hamilton) has been at the head of the department. I think there is certainly discrimination in the bill as it now stands and I want to vote for the amendment.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I am glad that the hon. member for Welland (Mr. McMillan) rose in his place to enter into this debate, even if only for the space of two and one-half minutes. I had thought that the hon. member for Bonavista-Twillingate (Mr. Pickersgill) was not getting much support from the other members of his party, that they either did not wish to commit themselves on this issue or, if they did so, they could not find it in their hearts to support this measure and that the hon. member had brought to bear the weight of his eloquence to keep them silent.

I think this measure is something that the members of the Liberal party should be talking about because in the short space of time during which I intend to talk on this measure I propose to go back and to link this matter up to the conditions as they were when the hon. member who introduced this bill was minister of citizenship and immigration. In order to do that I wish to refer to *Hansard* for 1958, page 4690, and what was said at the time when the present Minister of Citizenship and Immigration introduced amendments respecting discrimination, revocation of citizenship, et cetera, in Bill No. C-58 which was up for second reading. At that time the minister gave an explanation of how the act stood at that time and of how the bill proposed to amend it. She said this:

> Subsection (1) of section 19 of the present act gives the governor in council power to revoke the citizenship of naturalized Canadians for the various reasons enumerated in that subsection. Briefly the grounds are that the person has: 1, assisted an enemy of Canada in time of war; 2, obtained his citizenship by false representation or fraud; 3, has resided outside of Canada for six years and has not maintained substantial connection with Canada; 4, has resided outside of Canada for two years in a country of which he was a citizen before he became a Canadian citizen and has not maintained substantial connection with Canada; 5, while out of Canada has shown disaffection or disloyalty to Her Majesty; or 6, has been convicted by a Canadian court of an offence involving disaffection or disloyalty to Her Majesty.

As can be seen, section 5 is a sort of an omnibus clause which will cover almost anything. Section 4 is extremely restrictive. Yet from my search of *Hansard*—and I have gone back a few years—I can find no mention by members of the Liberal party as to what they thought of these particular restrictive sections. In order to give the hon. member for Bonavista-Twillingate full credit I may say that in his opening remarks he pointed out that he expected this sort of attack to be thrown back at him,—

Mr. Pickersgill: No, not an attack.

Mr. Broome: —namely that he had done nothing when he had the power to act; and he told us the reason. As far as I can make out, the reason was that there was no demand until suddenly the hon. member happened to be talking to a senator in the other place but who was then a member of the house and to a good friend of mine, namely James Sinclair, a former colleague of his in the cabinet. These gentlemen who were immigrants pointed out that changes should be made in the Immigration Act,—

Mr. Pickersgill: The citizenship act.

Mr. Broome: —and it was only at this point that the hon. member became aware of the fact that the previous act was not the most perfect act with regard to the matter of treating people fairly.

Mr. Pickersgill: Mr. Speaker, I am sure that the hon. gentleman does not want to misrepresent what I said. Perhaps he would allow me very briefly to correct him on that point. What I said was that an agitation arose in the summer of 1957 and that agitation having arisen I then consulted these gentlemen. The agitation arose in the country and the hon. member's own party took the view that there should be equality.

Mr. Broome: What the hon. member is saying then is that the feelings expressed by his former cabinet colleague, namely Mr. Sinclair, became apparent in the summer of 1957 but were not apparent during the preceding four years when he was a member of the cabinet and participating in cabinet discussions on various bills and undoubtedly participating in the discussions on amendments to the bill that the hon. member carried through in 1956. I therefore find it most strange that members of the opposition have not had more to say on this point than they have had to say up until now.

Mr. Crestohl: We should like to have a vote.

Mr. Broome: When the Minister of Citizenship and Immigration (Mrs. Fairclough) brought in this bill, she expressed certain other opinions and I think they are worth repeating at this time. For instance, as reported at page 4698 of *Hansard* of September 5, 1958, she said:

> Nothing in this bill imposes anything; there is no restriction imposed whatsoever. Everything that has been done in amending the citizenship act by this bill has been towards the removal of restrictions and discriminations which existed in the old act.

Then in concluding her remarks she had this to say and I think perhaps this is the heart and core of the philosophy behind the changes made in the citizenship act. I quote from page 4699 of *Hansard* as follows:

> It takes a peculiar kind of courage to tear up roots and go to a new land. It takes a special kind

of initiative to start a new life, and frequently it takes boundless energy to establish oneself in a new country. These were qualities that were possessed by our forefathers, those people who made this country what it is today. Because of that we recognize those qualities in those who seek naturalized status in Canada, and because of that we welcome these newcomers as kindred souls. It is true there may be among them those who will betray their fellows. It was ever thus. We have among us, among our natural born, those who would betray us, unfortunately.

However, we have faith. We have faith in these new people; we have faith in these newcomers and we are willing to give them evidence of that faith. We believe that in the amendments to this act which we propose in this bill we are giving them just that evidence.

Although I am a native born Canadian, and represent a riding whose people are predominantly of Anglo-Saxon extraction, nevertheless I have in my riding considerable numbers of new Canadians. They are mainly people who have come over here from Germany and include lesser numbers who came from Holland and Belgium. I can tell you this, Mr. Speaker. The new Canadians who have come over here have come from lands in which the people are much more conscious of the activities of agents provocateurs, of traitors who came into their former homelands and helped to destroy the democratic institutions of those countries. They know the story of Poland, Czechoslovakia and the three small Baltic states which disappeared so long ago, namely Lithuania, Estonia and Latvia. They are familiar with the dangers which are inherent in this world today, when we have this tremendous conflict between two ideologies, two ways of life, one of which has expressed itself as firmly intent on and forcing on us their way of life.

Mr. Speaker, the intent of this bill is to put an end to such a state of affairs. It was pointed out by the hon. member for Winnipeg North (Mr. Smith) that what is being attempted in this bill is to make it possible that traitors shall be able to maintain their Canadian citizenship, that they shall be able to travel around the country in which they have sought asylum, waving their certificates of Canadian citizenship with impunity. That citizenship will not be taken away from them if they return and stand trial. They have all the rights of the native born Canadian in that respect.

Let me tell you, Mr. Speaker, that the penalty for treason is not a light one for either native born or naturalized citizens. In many instances the penalty of death is mandatory. In other instances it is life imprisonment; and for what might be considered lesser forms of treason it is imprisonment up to a maximum of 14 years. Treason is not a light offence. It is something from which we must protect ourselves. I would submit that when a person comes over here and takes out citizenship, and then commits an act of treason, it could be assumed that that person most likely committed fraud to secure his citizenship, because if he became a traitor after he came here I think he must have been a traitor when he came here. He must have come here for a certain purpose along that line, and was finally caught out.

The only result of this bill would be to give to a self-confessed traitor—because his refusal to return is a confession of guilt—the status of a Canadian citizen. I say to you, Mr. Speaker, that the new Canadians do not want that any more than I do, because they know what these people have done. I certainly admire the hon. member for Bonavista-Twillingate (Mr. Pickersgill) for his very agile performance with regard to the discussions and the amendments passed at the last session, and his presentation when he brought forward this bill. He tried to say last session that we had done nothing.

Mr. Pickersgill: Oh no.

Mr. Broome: He stated, "not gone very far along the road". Then he went on to say, "Why not go all the way?" There was a minimizing of what had been done, and it was a natural minimizing on the part of the hon. member, because it was he who did not do it when he could have, and the present minister has. Therefore it is a very natural reaction on the part of the hon. member that he would not like the amendments which came in last session, and his party would not like the way the new Canadians had responded to the appeal of this party that all Canadians shall be treated equally. As I read the sections, the restrictions and the discriminations which were in the old act, I remember that the hon. member stood up and gave a tremendous song and dance about the discrimination which this bill, as he pointed out, said nothing about. That was done in the amendments to the act as brought forward last session by this administration. I suspect that the hon. member is suffering from an attack of sour grapes.

Mr. Speaker, there is not much more that I wish to add to this debate except to say that if ever there was a red herring drawn across this chamber, that red herring is this bill. It gives nothing but consolation to the enemy. It gives nothing to the new Canadians who now do have equality. It gives nothing to the native born. It gives nothing to anyone. It is simply a face-saving measure if ever there was one, and I certainly will be pleased to vote against it.

Mr. L. D. Crestohl (Cartier): Mr. Speaker, I belong to that group in this house who, with the hon. member for Marquette (Mr.

Mandziuk) and the hon. member for Humboldt-Melfort (Mr. Rapp) are naturalized Canadians. I have felt and hoped that if it were possible for the members of the house to be stripped of diehard political allegiance, we would have heard speeches of a different character from both sides of the house. Now I say this to hon. members most respectfully.

An hon. Member: Your side too?

Mr. Crestohl: Yes, and from our side too, indeed. I say that if it were possible to be stripped of political allegiance, if we did not feel we were bound by diehard political allegiance and could rid ourselves of politics, and there was no such thing as talking the bill out as a device of refusing to vote on the measure, I think, as I say, we would have heard a different type of speech. I am not saying that accusingly; I am saying this sincerely.

An hon. Member: And what about your own?

Mr. Crestohl: What about our own? We would be speaking in the way we have been speaking. If the hon. members opposite were not tied by those strong fetters of loyalty, rightly or wrongly, to their party I think you would have heard a different type of speech.

Mr. Speaker, let us look at the thing a little objectively. What is the issue here? Actually, there is no quarrel between the minister and the members on this side of the house. I would like to go a little further and say that I am prepared, in order to divest myself of party allegiance, to say that the present government has been most considerate and most helpful in matters of citizenship and immigration. I say that very sincerely. I would certainly praise to the skies the amendments which the Minister of Citizenship and Immigration (Mrs. Fairclough) brought in at the last session, in which she eliminated a great many of the difficulties and obstacles in the Canadian Citizenship Act. We feel that having gone so far the minister should have gone just one step further and eliminated all of them.

I also have the feeling that perhaps the minister will, even at this late stage, think about the matter and eliminate these last obstacles which exist. I say to hon. members opposite: face the obstacle and let us eliminate it. If we think there is an obstacle, let us eliminate it; if there is a doubt about an obstacle which may still be present in this act, it is the wisest course to eliminate it. Why leave a doubt? Hon. members opposite have argued very logically and very loyally that there is no obstacle, that there is no discrimination. I do not wish to insist that there is any discrimination under the act. I do not think the government intends to discriminate under the citizenship act; I will go even further and say that the government does not intend to discriminate.

Mr. Starr: We corrected the discrimination which existed for years when the Liberal government was in power.

Mr. Crestohl: I said a moment ago that I gave the Minister of Immigration and Citizenship full marks and full credit for the amendments she brought in last session. I praised her to the skies. But let us look at this matter squarely and decide whether there are any doubts still left in the act. We contend that there is still one element of doubt in the act which might lead to some discrimination, and if this situation exists we urge that the minister should eliminate its cause. I will even suggest that if the government should wish to take this on as a government measure it would certainly complete the job of completely eliminating any discrimination which may exist in the act.

I am going to analyse for a moment what it is that we are actually talking about. What hon. members have been saying is that a traitor to Canada should not be travelling about as a Canadian citizen. I agree with that. Traitors to Canada should not be able to travel about and flaunt their citizenship. However, I say this: traitors can be both native born and naturalized. Why should a native born traitor be able to travel about all over Europe and all over the world with a birth certificate showing that he was Canadian born, and prove it by that, whereas—

Mr. MacLean (Winnipeg North Centre): If that is the case, is it your opinion that this bill does exactly what you say and provides for that?

Mr. Crestohl: Provides for what?

Mr. MacLean (Winnipeg North Centre): Provides for the revocation of citizenship for both natural born and naturalized Canadians.

Mr. Crestohl: The working of this bill would give that result.

Some hon. Members: No.

Mr. Crestohl: I beg your pardon. If the act would read that Canadian born subjects can have their citizenship revoked if they were found guilty of treason or if they refused to turn up for trial, I would accept it. The hon. member for Marquette (Mr. Mandziuk) was frank enough to admit that if the citizenship act also made provision that a natural born traitor would also lose his status—oh, the hon. member can make his speech later—with that we would all agree. Why should

it be stated in law that only a naturalized citizen, if he commits treason, would lose his citizenship? Why do you not also say that a natural born citizen who commits treason should also lose his citizenship? If hon. members would allow me to go on for just a moment—

We set up the offence of treason, the offence of disloyalty to the crown, as the yardstick by which we say we will cancel or annul a citizenship certificate. If that is the offence, why do we not set up an equal punishment for the same offence committed by Canadian born citizens? I am in complete agreement.

Mr. MacLean (Winnipeg North Centre): I just want to make this point: I am in complete agreement with what the hon. member is saying, but it is his opinion that this bill would bring about what you were saying just now.

Mr. Crestohl: I believe so. I will go a step further and say that even if it does not agree verbatim with all that the hon. member thinks I am saying, if we are all of the same opinion about the principle that a naturalized Canadian should not be punished any more severely than a native born citizen, then certainly we should send this measure through its second reading and establish a principle which is acceptable to the whole house. I do not think there is anyone in the house who disagrees with this principle. Let us make it law.

The mere fact that this bill is presented from this side of the house colours the discussion, I suppose, with political implications. I say to the minister that I will certainly support it if this measure comes back in another form and eliminates the one doubt which still remains in the citizenship act and which might—I say "might"—create discrimination. All the intentions of the act will be fully served if you say that a natural born citizen and a naturalized citizen shall both lose their citizenship if they are found guilty of treason. At present, one does, and the other does not.

Mr. MacLean (Winnipeg North Centre): This bill revokes the charge of treason.

Mr. Crestohl: I will tell you what this bill does. This bill does something amazing. I will tell you what it does, and I intend to read from the minister's statement at page 4690 of *Hansard* of September 5, 1958. Explaining her amendment, she said:

> The amendment will repeal the existing subsection (1) of section 19 altogether, but it must be noted that under the amendment the naturalized Canadian citizen can still have his Canadian citizenship revoked by the governor in council if he is charged with a treasonable offence and, being abroad, fails to return to Canada and stand trial for that offence.

Then the minister goes on, and this is most interesting:

> If such person does return to Canada and is convicted, he will suffer the punishment prescribed under the Criminal Code or the Official Secrets Act for the offence but he will not be subject to loss of citizenship.

That is anomalous. A man who comes back and is tried and convicted for treason still does not lose his citizenship—

Mr. Speaker: I think this is an opportune time for me to interrupt the hon. member.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Crestohl: Mr. Speaker, when the house rose at six o'clock I was attempting to the best of my ability to point out that in reality the bill is really a simple one, and one which in principle we are all agreed upon. I also pointed out that I had the feeling—rightly or wrongly; I think rightly—that if we were not bound by party loyalties and party discipline we would have had a different type of discussion on this bill.

I wish to point out why in my opinion this is in reality a simple matter. I refer hon. members to the explanatory note in which subsection (1) of section 19 of the Canadian Citizenship Act is quoted. I shall read just two lines of it:

> The governor in council may, in his discretion, order that any person other than a natural born Canadian citizen shall cease to be a Canadian citizen—

And so on. If the house is really serious in eliminating a discrimination or any difference, even though it might be only a seeming difference and perhaps not even a basic difference, that one might suspect exists, why does the minister not simply delete the words, "other than a natural born Canadian citizen", so that the act would then read:

> The governor in council may, in his discretion, order that any person shall cease to be a Canadian citizen—

I think that would simplify it.

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

Mr. Crestohl: Yes.

Mr. Pugh: Has anyone in Canada the power to take away citizenship from a Canadian? If they have, what citizenship would the hon. member ascribe to him?

Mr. Crestohl: If the hon. member would read the citizenship act he would find that there are any number of reasons why citizenship may be removed. The act gives a number of instances when that might happen.

Let me point out to the hon. member that at the last session the minister removed from the act six different grounds which were disabilities. As I said earlier, the minister deserves much credit for removing those six disabilities with respect to citizenship. Look at the way the act reads now. Again, I appeal to hon. members, for the sake of discussion, to read this section purely objectively as lawyers, as responsible Canadian representatives, only with this thought in mind. The act says "any person" and then these words are thrown in, "other than a natural born Canadian citizen". Why should we have these words in the act if there is no difference between one type of citizen and the other? I suggest to the minister that if she were to bring in an amendment—let it be a government measure—to section 19, subsection (1), simply to delete the words "other than a natural born Canadian citizen" she would eliminate any semblance or any suspicion of any difference between the two types of citizens that we now suspect might exist. I cannot give the minister advice, but I can suggest that this would definitely clear the air.

Let me point out something else. Maybe we do not notice it at the moment but there are other sections in the act which again speak of a person other than a Canadian citizen. Section 19 was completely deleted. People can lose their citizenship if they are absent from Canada for a certain length of time and if they take an oath of allegiance to another country. That is fine; no one opposes that. We do not oppose it. It is good law; it is good citizenship law. What I oppose is its application only to naturalized citizens. We say that it should apply not to naturalized citizens only. If it applied to everyone there would be no quarrel at all; we would have one class of citizenship and we would not discriminate against a second class. I respectfully say to the house that if it is preferred that a traitor should lose his citizenship, that is fine. I accept that; I certainly would follow it. But do not simply say that one type of traitor, namely the traitor who was not born in Canada, should be treated differently from a traitor who was born in this country. Any type of traitor to Canada, anyone who is disloyal to Her Majesty, anyone who is disloyal to Canada should lose his citizenship, if that is the law, but that means anyone and not just one class.

Mr. MacLean (Winnipeg North Centre): I hesitate to interrupt the hon. member's argument, but this was not made clear before recess.

The Acting Speaker (Mr. Rea): Order. The hon. member may ask the hon. member who has the floor whether he may ask a question. That is as far as the hon. member may go.

Mr. Crestohl: He may ask the question.

Mr. MacLean (Winnipeg North Centre): That is all I wanted to do. I did not want to interrupt the trend of the argument. The hon. member is advocating that natural born citizens should lose their citizenship for treason outside the country. On that basis would he say that the bill before the house advocates the same principle?

Mr. Crestohl: The bill before the house advocates the principle that all Canadian citizens should be treated alike, should be considered alike.

Mr. Bell (Saint John-Albert): No.

Mr. MacLean (Winnipeg North Centre): One further question: Would the hon. member agree that the repeal of subsection (1) of section 19 as set out in this bill removes any reason whereby a naturalized Canadian, or any Canadian, could lose his citizenship on account of a charge of treason when he is outside the country?

Mr. Crestohl: If he is summoned to come back to Canada and fails to come back he loses his citizenship, but why should we not have the same rule for a Canadian born citizen who is charged with treason, who is outside the country, is summoned to come back and does not come back? Why should we say he does not lose his citizenship?

Mr. MacLean (Winnipeg North Centre): I do not disagree with that; I disagree with the bill.

The Acting Speaker (Mr. Rea): Order. The hon. member for Cartier has the floor.

Mr. Crestohl: As far as we are concerned, we do not care how it is done, whether you take away the citizenship of a traitor who is a natural born Canadian or not. It is immaterial, so long as it is equal. It is equality of both classes of citizens that we seek.

Mr. Mandziuk: The bill does not say so.

Mr. Crestohl: The bill provides for making all citizens equal.

Mr. Bell (Saint John-Albert): It does not.

Mr. Crestohl: If the bill does not say so I trust all members will bear with me when I say that if the deletion of the words "other than a natural born Canadian citizen" in the

act as it now stands would meet all requirements then I respectfully submit that the minister could bring in an amendment to that effect. As a matter of fact if the minister will not bring in an amendment to that effect I believe I will do so. The hon. member for Marquette certainly made my case very strong when he, honourably, fairly and discharging his duty as a good citizen, said that if the other provision were in the act he would be satisfied and would accept it. I do not remember whether that was his exact language but he certainly said he was not aware that the same provision is not made for natural born as for naturalized citizens. I see the hon. member for Marquette is nodding his head in agreement.

That is all we ask. Make them both equal. Either deprive them both of citizenship or do not deprive them of citizenship. In that way we will create equality, and that is what I say the bill calls for.

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

Mr. Crestohl: Certainly.

Mr. Mandziuk: We are discussing the bill as it is. You and I were in agreement on certain points but the bill is off the beam.

Mr. Crestohl: The hon. member for Marquette may have his opinion. As a matter of fact, on the motion for second reading we are really discussing the principle of the bill. If we agree on the principle the bill can be sent to a committee which can revise, redraft and amend it and bring in a measure that will be acceptable to the entire house. When we are dealing with a measure of this kind I do not believe that it should be felt to be necessary to talk out the bill because of a certain party discipline. I am willing to suggest, as I did before, that it be brought in as a government measure. We do not want any particular credit for it. We would like to see the minister remedy a fault which I think was left unremedied at the last session.

There are some interesting sections of the act that we should bear in mind. I should like to refer, for example, to section 22. Let us look at section 22. We have not talked about it but it is exactly in point. Section 22 reads as follows:

A Canadian citizen other than a natural born Canadian citizen—

"Other than a natural born Canadian citizen." Again we have the setting up of a difference between the natural born and the naturalized.

—is, subject to the provisions of this act—

Before I continue reading this section, may I tell the house that this section may satisfy a great many members as to the point we are debating. I will start again. Here is what the section says:

A Canadian citizen other than a natural born Canadian citizen is, subject to the provisions of this act, entitled to all rights, powers and privileges and is subject to all obligations, duties and liabilities to which a natural born Canadian citizen is entitled or subject and, on and after becoming a Canadian citizen, subject to the provisions of this act, has a like status to that of a natural born Canadian citizen.

This is a beautiful section, Mr. Speaker. By this section the law declares that a naturalized citizen is entitled to all the rights, powers and privileges of a natural born citizen. It is a magnificent section, but why include in it the words "subject to the provisions of this act", which, incidentally, appear twice? That is because there is a reference to another class of citizens that may not be able to enjoy all the rights which section 22 is intended to give them.

Mr. MacLean (Winnipeg North Centre): It refers to both classes.

Mr. Crestohl: Of course, and all we are seeking is equality. Either delete from section 22 the words "subject to the provisions of this act" or delete from section 19 (1) the words "other than a natural born Canadian citizen." Either the one or the other, I respectfully submit, will give that equality which I think every hon. member would like to see given. Certainly if such a measure were introduced by the government I would be the first one to vote for it and so would many, if not all, of my colleagues on this side.

What is more, the law in this regard would then be on all fours with the bill respecting human rights introduced by the Prime Minister (Mr. Diefenbaker). That is something we must not lose sight of at this time. In that bill is set forth the right of the individual to the protection of the law without discrimination by reason of race, national origin, colour, religion or sex. I say that if we delete these words to which I have referred we will be deleting something that certainly can be interpreted as creating a discrimination. If it is not a discrimination, then there is no harm in deleting it. If it is a discrimination, then we should delete it. It is our duty as members of parliament to do so. I believe that the basic principle, equality of all citizens, is such that most hon. members would accept it and, in order to deal with the matter adequately, I would think they should be agreeable to sending the bill to a committee for redrafting. I do not think anybody quarrels with the basic principle, and because the

bill as now drafted perhaps does not meet all requirements I move, seconded by the hon. member for Hull (Mr. Caron):

That this bill should not now be read a second time but that the subject-matter be referred to a special committee to be designated for the purpose to draft a bill which will ensure complete equality of status between naturalized and natural born Canadian citizens.

Mr. Bell (Saint John-Albert): That is an awful slap at Jack.

Mr. Pickersgill: I drafted it.

Mr. Crestohl: I might say that I consulted the hon. member who introduced the bill and I have received his permission to introduce this amendment in an attempt to remedy a bill based on a very important principle on which I think members on all sides of the house are agreed.

Mr. Bell (Saint John-Albert): You are still getting permission from the front bench.

Mr. Caron: What do you do?

Mr. Pickersgill: We still have a front bench.

Mr. Crestohl: That is the courteous thing to do.

The Acting Speaker (Mr. Rea): Before putting the amendment I should like to consider it for a while and then decide whether or not it is in order. The hon. member for Westmorland.

Mr. Creaghan: Mr. Speaker—

The Acting Speaker (Mr. Rea): I will read the amendment first. I wanted to make that explanation. The amendment reads as follows:

That this bill should not now be read a second time but that the subject-matter be referred to a special committee to be designated for the purpose to draft a bill which will ensure complete equality of status between naturalized and natural born Canadian citizens.

Mr. Pickersgill: Mr. Speaker, I rise on a point of order. You have read the amendment to which I may say, as the hon. member for Cartier said, I have no objection whatsoever. With great diffidence, is it not the appropriate course to put the amendment and then reserve your judgment with respect to whether or not it is in order?

The Acting Speaker (Mr. Rea): That is what I have done.

Mr. Pickersgill: Thank you.

Mr. Pallett: Mr. Speaker, I do not think—

The Acting Speaker (Mr. Rea): Order. The hon. member for Westmorland.

Mr. Pallett: On a point of order, Mr. Speaker; I do not think you have actually put the amendment. You have read it, but you have not put it. I think there is a fine difference.

Mr. Pickersgill: I wonder, Mr. Speaker, if that point could not be settled because it is a very material point indeed. It does seem to me that when an amendment has been offered by an hon. member, the amendment is then before the house and it is not competent to the Speaker to do anything but either rule it out of order immediately or reserve his decision on it. However, it is in the possession of the house. That is the very point I wanted to be sure was clearly understood. If we are in agreement there, I am quite satisfied.

Mr. Pallett: The practice has been that you do not make a ruling at this time as to whether it is in order. The amendment is not in the possession of the house until you later make that ruling as to whether it is in order or not in order.

The Acting Speaker (Mr. Rea): I have read the amendment and I am going to consider whether or not it is in order.

Mr. W. L. M. Creaghan (Westmorland): I think my opening remarks should be confined to the suggestion made by the last speaker, the hon. member for Cartier (Mr. Crestohl). I do not take issue with his suggestion, in fact I accept it, when he says that this bill should not become a political football. However, after saying that, I also want to put on the record the fact that I do not believe that is the feeling or the purpose of the hon. member who introduced the bill.

Mr. Pickersgill: Without taking the slightest offence at what the hon. gentleman has said, Mr. Speaker, it is clearly an imputation of motive which I am sure is quite contrary to the rules of the house.

Mr. Creaghan: I am not certain as to the personal motive, but I feel quite confident of the political motive of the hon. member.

Mr. Pickersgill: I am afraid that in the interests of good order in the house and not because I take the faintest offence in this matter I shall have to insist on my question of privilege. It is one of the oldest and best established rules of the house that one member cannot impute personal or political motives, or indeed any other kind of motives to another hon. member. We listen to what people say in this house, we do not try to read their minds.

Mr. Hamilton (York West): It seems to me the hon. member has now had the opportunity of making three or four speeches. This is not a question of privilege at all. The hon. member did not directly say anything about the

sponsor of the bill at all. He indicated that there were obvious reasons for him introducing this bill at this time, and I think he is quite in order in making those observations.

Mr. Creaghan: I had no intention of offending the hon. member.

Mr. Pickersgill: I could not care less.

Mr. Creaghan: I just want to continue by saying if that was not his intention, as he said, why did he not bring in an amendment to repeal part III of the act and substitute therefor a new part III. It seems to me that we have all read quite a lot about the political prophecies and writings of his late leader, the Right Hon. W. L. Mackenzie King, whose initials are the same as my own,—

Mr. Pickersgill: There is no other resemblance.

Mr. Creaghan: —concerning dividing the country and ruling.

In opening my remarks, I want to extend my personal congratulations to the hon. member for Marquette (Mr. Mandziuk), who so ably led off the debate in so far as the opposition to this bill is concerned. As hon. members know, I come from the province of New Brunswick. Unfortunately for us in the maritimes we have not received our full share of the growth in immigration which was witnessed in Canada since 1945. However, even though we have not many new citizens, we have a fair share of the ethnic groups who are, for the most part, natural born citizens. Outside of the hon. member for Bonavista-Twillingate, I believe I am the first maritimer to speak on this bill.

Mr. Monteith (Perth): Do you call him a maritimer?

An hon. Member: He is a pseudo-maritimer.

Mr. Creaghan: I feel called upon, therefore, to add my thoughts to this debate which has been before us for so many hours today.

As we all know, this act was originally passed in the year 1946 after a prolonged debate in the House of Commons which lasted approximately six weeks. At that time the then secretary of state, the hon. member for Essex East (Mr. Martin), made a lengthy statement to the house on second reading. I think it appropriate at this time that I put on the record his remarks in so far as part III is concerned, that is the part dealing with the loss of citizenship. With your permission, I should like to refer to *Hansard* of 1946, page 508, where the hon. member for Essex East is recorded as saying:

> Part III of the bill deals with the loss of Canadian citizenship. In general, there are now, and will be in future two types of loss of citizenship: loss by any citizen after the acquisition of a foreign nationality, and loss of the citizenship of naturalized persons under prescribed conditions. The provisions with regard to loss upon the acquisition of a foreign nationality have not been substantially changed from those now in effect.

Then later on:

> With regard to the remainder of this part, in my statement of October 22 I referred to the new provisions for automatic loss of citizenship by naturalized persons who stay abroad for six years or more and do not protect their citizenship. As I mentioned at that time, this provision does not apply to naturalized persons who have served in the armed forces of Canada. In addition, the six years do not run during absence as a representative of the Canadian government or a Canadian firm, or for other specified purposes.

Now, this is the important part:

> The provisions for revocation of certificates of citizenship are virtually unchanged from those now in effect. The remainder of this part of the bill consists of ancillary provisions which, while new in form in some cases, bring in no new principles.

That is all the then secretary of state said when referring to this important part III of the bill. In that quotation he referred to his statement on October 22 of the previous year. This is found at page 1336 of *Hansard* for 1945, and I quote:

> With regard to loss of Canadian citizenship, the conditions are the same as those at present for the loss of the status of British subject—with one addition. That addition is the insertion of a provision for automatic loss of citizenship by a naturalized person—

Later in that same paragraph, he says, when giving an example of what this means:

> —Germans naturalized in Canada who returned to Germany in 1933 or 1934, whose absence was not known, and who now claim protection and benefits as Canadians. In many cases there is every reason to suspect that a great number of these people were ardent nazis and complete Germans during the war, however Canadian they may now profess to feel. In future, with the passage of this bill, this will not happen.

He was speaking of section 19 (1) before it was amended by the hon. lady in September, 1948.

Mr. Crestohl: In 1958.

Mr. Creaghan: Yes, 1958. The only two items of contention before us are the question of fraud and the debate on treason or other acts of violence. We are part of the British commonwealth of nations. I think it should be of interest to the house if some comparison was made between the present law of Canada —and I am talking about the post-war law, including section 19 as amended in 1958— with the law of other commonwealth countries.

In the first place fraud, which is still covered in our act, is also a reason for losing naturalization in the United Kingdom. It is covered by the British nationality act of

1948 which has provisions identical with those of the Canadian act prior to 1958. In Australia both citizens of registration as well as citizens by naturalization can lose their citizenship if they obtain entry into the country by fraud, misrepresentation, et cetera, as we have provided in our act. The same law prevails in New Zealand. In that country the law was originated in 1928, much prior to the introduction of the law in the United Kingdom and the other more famous commonwealth countries. It seems to me, Mr. Speaker, that the provision with regard to fraud, which is now uniform throughout the commonwealth should certainly remain in the legislation. For that reason alone I take issue with Bill No. C-2 in its present form.

While speaking on fraud, I should like to suggest that perhaps part III—that is the part which deals with loss of citizenship—could be improved upon in so far as it deals with loss of citizenship by an alleged fraud. It seems only proper for us to assume that a great many of our new Canadians who came in here after the 1945 conflict, in order to get here must have on occasion made a certain amount of so-called innocent misrepresentations. I would suggest to the government that in a subsequent amendment to part III we should, after a period of time and proof of good citizenship, condone misrepresentation of allegations which had been made, particularly so if the citizen gaining entry was from a country which had been at war with us or was coming from the Orient where the standard of entry is so rigid. Many citizens of the Orient who are relatives of Canadians are perhaps inclined to be a little bit careless in their statements in order to gain entry. I suggest to the Minister of Citizenship and Immigration (Mrs. Fairclough) that some serious thought should be given to an amendment which would condone fraud after the lapse of a period of 10 or 12 years of continued good citizenship in Canada.

Dealing with the other matter, namely loss of citizenship for reasons other than fraud, I think we should consider what has taken place in these commonwealth countries which I mentioned a few minutes ago. In New Zealand there are still three reasons other than fraud by which a naturalized citizen of that country can lose his citizenship. The third one is a minor one, consisting of being convicted of an offense for which the sentence is a term of imprisonment of more than 12 months in another country after citizenship had been taken out. In Australia there are still five reasons other than fraud whereby citizens of that country other than natural born citizens may lose their right to citizenship.

At the present time Canada has the fairest regulations and law with regard to loss of citizenship for reasons other than fraud. In the United Kingdom, the law is half-way between the new law of Canada of 1958 and the law of the other commonwealth countries.

In England there has been a tendency to be a little bit more relaxed because of the fact that the great percentage of the people in the old country are natural born citizens.

In the United States as in Canada our rapid growth has been not because of natural birth in this country but because of the fact that our doors have been open to the people of the world who otherwise qualify, and they have come here in great numbers.

Much has been said today about traitors. That is a subject in which all of us must at all times take a great interest. Fortunately for us in Canada today, treason is not a common crime or in any case one does not hear about it, and few charges are laid. For the benefit of the record, though, may I say that treason is still a reason for a naturalized Canadian losing his citizenship only if that person refuses to come back to Canada and face a jury of his fellow citizens.

I think that treason is the worst of all crimes. Section 46 of the Criminal Code contains six or seven paragraphs defining offences of treason. However, they can be briefly summarized as follows: attempts on Her Majesty's life; killing Her Majesty; using force or violence in Canada or in a province of Canada for the purpose of overthrowing the federal government or one of our provincial governments, et cetera. Another section follows, namely section 48 of the Criminal Code, which deals with offences of treason with regard to violence for the purpose of the overthrow of the government. This has a three-year limitation having regard to the laying of the information. At the present time, under that act it is possible for a citizen, whether natural born or naturalized or for a person who is not a citizen to escape our law unless he is brought before the court within a period of three years. What I can see happening is this. A naturalized citizen, one who came in here perhaps with the intention of being a spy, one who might be on the payroll of our future enemy, could get citizenship in Canada, commit an act of violence with a view to overthrowing this present government—which I think is the purpose of this legislation—and simply return to the country of his origin; and if a charge is not laid within three years he could escape the

verdict of his jurymen. That alone is sufficient reason for keeping the offence of treason on the statute books, even if it is nothing more than an axe over the head of a very, very minor fraction of 1 per cent of the naturalized citizens of this country.

I do not intend to repeat what has been said by many members with regard to the fact that natural born citizens are getting preference over our fellow Canadians who are now naturalized citizens. I think probably it is unfair that such should be the case. I would be very much in favour of making them equal provided they attend trial. It is much easier for a naturalized citizen to become an absconding citizen and to disappear, perhaps behind the iron curtain. A Canadian of natural birth would have a limited opportunity to avail himself of that practice.

I am not opposed to seeing the law being made uniform by necessary amendments to the Criminal Code which would take away the right of citizenship from any Canadian citizen who is found guilty of such a serious crime. I think probably that would be a worthy amendment to the Criminal Code; but I do not think that legislation of that type should creep into an act which is respected and is read from time to time by our new citizens as they enter the country. I think that the Canadian Citizenship Act should be as concise as possible; that it must be understandable to people who are not necessarily entirely familiar with English or French; and that the least amount of amendment made to that legislation will mean that we, as Canadians, will be benefited. The amendment which was passed known as Bill No. C-58 of 1958 went a long way, Mr. Speaker. It was something which in all probability the mover of Bill No. C-2 should have brought in during the last four years or more when he was minister. I congratulate the government of this day in taking the step which it took in such a short period of time after its election in March of 1958.

In closing, Mr. Speaker, I want again to congratulate the member for Marquette and all those other members of all political faiths who have stood up here today and expressed their own beliefs without any fear of political criticism.

The Acting Speaker (Mr. Rea): I should like to discuss the matter of this amendment now. In the *Journals* for 1953-54, on page 649, it says:

> The house resumed the adjourned debate on the proposed motion of Mr. Howe (Port Arthur): That Bill No. 375, an act to amend the Research Council Act, be now read the second time.
>
> And on the proposed motion of Mr. Murphy (Lambton West), seconded by Mr. Nickle, in amendment thereto: That Bill No. 375 be not now read the second time, but that the subject-matter thereof be referred to a special select committee representative of all parties of this house—

Mr. Speaker then ruled the said amendment out of order on the grounds that 48 hours' notice must be given of a motion to appoint a special committee. Standing Order No. 41 says:

> Forty-eight hours' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee—

Therefore I rule the amendment out of order.

Mr. J. W. Kucherepa (High Park): Mr. Speaker, I rise in this debate today because I come to this house representing one of those ridings in the city of Toronto which has both natural born Canadians and naturalized Canadians in large numbers, and I think I may be able to say something which may add to the interesting debate which we have had here today.

I, along with other members of this party, notably the Prime Minister (Mr. Diefenbaker) and the Minister of Citizenship and Immigration (Mrs. Fairclough), have been concerned with the welfare of those naturalized Canadians for whom we in this party have such high regard. Our record in this connection is very clear. During the short time that this party has been in office it has proved by its actions and what it has done how it feels toward the so-called, new Canadians, and the naturalized Canadians in our country.

I might mention that one of the first actions which this government took was in regard to the discriminatory 20 years' residence requirement for old age assistance and old age security. We in this party believed that it was discriminatory, and when we came into office we forthwith reduced that requirement from 20 years to 10 years. The member for Bonavista-Twillingate (Mr. Pickersgill), who was a member of the previous Liberal government and responsible for the administration of this act, despite the fact that representations were made to him by members of his party in this House of Commons when this matter was being discussed did not act on those recommendations. Furthermore, in 1958 we saw our Minister of Citizenship and Immigration bring in an amendment to the Canadian Citizenship Act which did away with many of those discriminatory features which existed in the act which was introduced by the previous Liberal government. I would on this occasion remind hon. members of the house that when we brought in that amendment last session the members of the opposition, under the leadership of the hon. member for Bonavista-Twillingate, opposed that

amendment which did away with so many features which were discriminating against the naturalized Canadians in Canada.

Mr. Pickersgill: That is not correct.

Mr. Kucherepa: The hon. member says that is not correct. I would refer him to page 4699 of *Hansard* of September 5, 1958. where he is recorded as having voted against the amendment.

Mr. Pickersgill: Mr. Chairman, since the hon. gentleman has challenged my veracity, it seems to me I have a question of privilege. It is quite true that the members of the Liberal party voted against the second reading of that bill—

Some hon. Members: Order.

Mr. Pickersgill: I am speaking on a question of privilege. It is true that the members of the Liberal party, including myself, voted against the second reading of the bill because it contained a provision for the establishment of thought police in Canada, but once that provision was taken out we supported the measure.

Mr. Kucherepa: The hon. member may make all the excuses he wishes, but I am quoting from the record.

Mr. Hamilton (York West): On the question of privilege. Again, the hon. member has risen to his feet and he has not raised any question of privilege at all. He has made his speech, and I suggest that you rule on these questions of privilege before he rises to make another speech.

Mr. Kucherepa: Despite the protest made by the hon. member for Bonavista-Twillingate I am sure that if he will refer to *Hansard* he will see that the matter about which he has spoken was carefully reviewed and explained by the minister before the amendment to which he made reference was dealt with in this house.

The most interesting part of the presentation made by the hon. member for Bonavista-Twillingate today was the defensive manner in which he approached this question in the house. He said—if I was able to take down his remarks accurately—that he would undoubtedly be asked why action was not taken during the time in which he was responsible for the administration, and his answer was that some administrative inconvenience was involved. For this reason, it appears that he was willing to give up a great principle, the principle in support of which he rose in this house today; the principle which he has asked all hon. members here to support. Yet the former minister said that the only reason he did nothing about it while he was in office was because it would have created some administrative inconvenience. It is certainly a shocking thing, in my opinon, when a member of this house who was formerly a minister in a government responsible for running this country says he refused to accept a principle in which he believed because there were some administrative problems. I say that that is an incriminating admission on the part of the hon. member for Bonavista-Twillingate.

When the hon. member says that the purpose of this amendment is to give complete equality of status with natural born citizens to citizens other than natural born citizens by removing the remaining discrimination under the present law I say he is merely splitting hairs. He has not shown in his remarks, either today or last session, that he has repented of making the observations which he made some years ago in Victoria, British Columbia. Today, in the course of his speech in this house, he says he never apologized for saying that because he still believes in the principle of a cradle immigration policy.

An hon. Member: Don't you?

Mr. Kucherepa: The hon. member is an expert at interrupting and has already obtained for himself the reputation of being able to try to divert speakers, though with little success, I should say.

Mr. Pickersgill: I wonder if the hon. member would permit a question?

Mr. Kucherepa: I will permit the hon. member to put his question after I have completed my remarks, because I did not interrupt him.

Mr. Pickersgill: I am quite satisfied.

Mr. Kucherepa: I think we must give consideration to the thinking behind the bill which is proposed today. The hon. member reiterated a moment ago his feeling on this cradle immigration policy, yet at the same time he has introduced a bill which would, in effect, eliminate that policy. I will read the purpose of the amendment again:

> —to give complete equality of status with natural born citizens to citizens other than natural born citizens by removing the remaining discrimination in the present law.

Yet the hon. gentleman reiterates that he still believes in this cradle immigration policy. I ask this, Mr. Speaker: where is the spirit of this bill? Is it just so many words? I think this bill has been brought into the house merely to cover up some political mistakes which the hon. gentleman may have made in years gone by.

One of the most interesting observations made by the hon. member for Bonavista-Twillingate today was that up to the summer of 1957 he never knew that the problem existed. I would differ with him with regard to this, because I am sure that as a minister of the crown press clippings and the like must have been available in his office. I have one here dated April 15, 1955 which appeared in the Toronto *Telegram*. The heading of this article is: "Ethnic Groups Angry at Immigration Minister".

Anger, resentment and protest have swelled in political, labour, and religious groups in the wake of Immigration Minister J. W. Pickersgill's statement in Victoria, B.C. that another Canadian baby is better than any immigrant.

New Canadian citizens joined the chorus of protest against these remarks made by Mr. Pickersgill:

"I don't believe any immigrant no matter where he comes from or who he is, is as good as another Canadian baby."

Comments from individuals and groups, ranged from full-flared denunciation to tempered reprimands.

Here are just some of those comments, with the nationality of the person making them attached:

"Everyone here is an immigrant. He's saying the only Canadians are Indians."—Lithuanian

"It was just like walking into a cold shower for us."—Hungarian.

"This statement will do a great deal of harm."—Estonian

"We always did, and we always will feel as good as any other Canadian born person."—Polish

"Immigrants are contributing the very thing he's speaking about—Canadian babies."—Ukrainian

"These words will evoke resentment and disappointment among New Canadians."—German

Mr. Gabriel Roberge (Megantic): On a point of order.

Mr. Deputy Speaker: The hon. member for Megantic has risen on a point of order.

Mr. Roberge: I have been listening to the hon. member for several minutes, and I do not think he is discussing the principle of this bill at all.

Mr. Kucherepa: I should like to speak on that point of order—

Mr. Deputy Speaker: Order. I could not fail to notice that the hon. member for High Park has, indeed, strayed away from the item under discussion at the present time. We are discussing a bill the scope of which is quite clear, and it would be appreciated if the hon. member would restrain his remarks to the measure under consideration.

Mr. Kucherepa: Mr. Speaker, I accept your ruling. However, I did wish to speak prior to your ruling and explain that what I was doing, in effect, was answering the remarks which were made earlier today by the hon. member for Bonavista-Twillingate in which he denied he had ever heard of the problem existing in this country prior to the summer of 1957. I hope he is not suffering from political amnesia because of June 10, 1957.

The hon. member for Bonavista-Twillingate admitted to the house today that he had not thought much of the problem which is incorporated in this bill until he spoke to some of his "immigrant friends." I am using his words. The former Liberal member for Spadina and the former Liberal member for Coast-Capilano suggested that there might be a good reason for changing the act and bringing in an amendment. As a physician I was very interested to hear him refer to this "psychological equality" between natural born and naturalized Canadians, especially when one remembers the great biological theory he previously announced in the field of immigration. It certainly tends to complicate the picture.

Of course, at the end of his remarks this afternoon he started to refer to small administrative inconveniences which would result from the amendment he has presented if we were to adopt it.

Mr. Pickersgill: No; I was referring to the amendment which was made last year.

Mr. Kucherepa: I misunderstood the hon. member. It is not surprising when we consider the interjections, and so on. However, that was my understanding. We will not go into that very fully. There is enough on the record without having to refer to ordinary statements of that kind.

Despite the fact that the hon. member has tried to make a case for his bill I must remind the house again that during the last session we did amend the Canadian Citizenship Act. He must remember that at that time, whether he liked it or not, he did vote against the amendment. It is on the record and he cannot deny it no matter what he says today.

As has been pointed out by previous speakers in the house today, the only thing which still appears to have been left in the air and upon which my hon. friend lays such great emphasis is how this would affect the naturalized Canadian citizen who might go outside this country and then be charged with committing some act of treason or an offence under the Official Secrets Act.

I am not going to go back to the original material which I quoted, namely the reactions of the various ethnic groups of the city of Toronto when they heard of this cradle immigration conception or policy, or whatever you want to call it, which the hon. member for Bonavista-Twillingate advocated. I will go back to the year 1955. My hon. friend who

says he did not know anything about the existence of this problem did have an editorial appear on his behalf in the Victoria *Times* of Saturday, April 16, 1955. This made it quite clear where he stood on this question.

The Oak Bay audience who heard him will remember that. Choosing his words with obvious care he said that he was an unrepentant believer that the cradle is the best way of increasing the nation's population.

Mr. Pickersgill: I still am.

Mr. Kucherepa: I am happy to see that he is at last making the record clear and that this attempt on his part to pull the wool over the eyes of the people is beginning to fail.

We have had excellent speeches in the house this afternoon, especially from members of the legal fraternity, who have made it quite clear that our present act contains several sections which are out of keeping with the spirit—and I use the word "spirit"—which I believe most hon. members feel relative to the way in which we appreciate and are attempting to bring our naturalized Canadians to an equal status with that of other citizens in this country. I thought that the hon. member for Winnipeg North Centre (Mr. MacLean) did a remarkable job when he pointed out that sections 4, 18, 19 and 20 were sections which might well be looked into and considered in the light of the principle which I think is universally accepted in this house.

As I see it right now, and from following very closely all afternoon the discussion which has taken place, the bill of the hon. member for Bonavista-Twillingate is one of confusion and contradiction, something for which my hon. friend, of course, has become quite notorious in recent times. The generalizations in his bill, I would say, take away more rights than they confer with respect to people for whom he now expresses such great concern.

During the last session the Leader of the Opposition (Mr. Pearson) spoke in the debate on this question and he said that he would like to see one class of Canadian citizenship. I hope that he can convince the hon. member for Bonavista-Twillingate of this great conception with which most hon. members agree.

There was also another remarkable speaker from the opposition benches, namely the hon. member for Cartier (Mr. Crestohl). He had some very interesting remarks to make on the matter before the house today. He said such things as this, "Let us be stripped of die-hard political allegiance", whatever that means. I did not hear any further explanation of that sentence. Then he went on to say that he has no quarrel with the minister and is prepared to admit that the present government has been most considerate and most helpful in matters of citizenship. I am certainly happy to hear members of the Liberal party speaking that way. Then he went on to say, "We are most grateful for the amendment brought in at the last session", and yet he was one of those who voted against the amendment. He talks of stripping ourselves of die-hard political allegiance then he goes on to say something about giving the government full marks and full credit for the amendment brought in at the last session. As I said a moment ago, he voted against the amendment.

We have an idea of what we are up against in this debate on this bill. The hon. member for Cartier says on the one hand that a naturalized Canadian should not lose his citizenship, even if he leaves the country and fails to come back, if he is charged before the courts with a treasonable offence, and on the other hand he says that this house should devise some means of stripping a natural born Canadian of his citizenship. To me, that seems paradoxical because no matter how far we go in our thinking about the problem there will always be another problem.

In that regard I might point out that there are many cases where people from countries in Europe who have obtained Canadian citizenship in effect maintain a dual citizenship. Suppose we did strip a man of his citizenship for failing to comply with section 19 (1); he could still have a citizenship, the citizenship of the land in which he was born. A natural born Canadian would not have that privilege if we were to accept the suggestion made by the hon. member for Cartier. I think this is ridiculous.

No matter how far we go with the question there are certain aspects on both sides which cannot be taken, shall we say, to an arithmetical conclusion. Some common sense will always have to be applied. As I said before, the important thing is that we should display the spirit with which the Minister of Citizenship and Immigration presented her amendment to the house last year, the spirit with which we have treated our naturalized citizens in the past two parliaments during which I have had the privilege of being a member of the house. It is the spirit that counts because no matter how hard we try to bring in legislation that will cover every nook and cranny no legislation is letter perfect.

I think the legislation we have now is satisfactory and I for one, coming from metropolitan Toronto an area which has many naturalized Canadians, probably a greater number than any other part of the country, have heard nothing in recent months critical in any way of the amendment the government brought in last session. As I said before,

I think the hon. member for Bonavista-Twillingate is trying to bring in some kind of a bogey. In fact, I think someone described it earlier as a red herring. All I can say is that I have had many opportunities to meet the people in my area and I have heard nothing of this terrible discrimination against someone who may be disloyal and who refuses to come back to Canada and clear himself of any charges which may be laid against him.

This act was introduced by the Liberal party and I was very happy to hear that it was the hon. member for Essex East (Mr. Martin) who introduced the legislation in the first place. We must also be cognizant of the fact that for the last three years of the late but not lamented Liberal administration the act was administered by the hon. member for Bonavista-Twillingate, but I think we have eliminated the inequalities in the act—I think we all agree there were inequalities—in so far as it is practical to do so at the present time. I know that many naturalized Canadians express deep concern that the odd individual is able to get into the country by virtue of faulty screening, but with the human factor involved undoubtedly this will occur from time to time, and I am sure that no reasonable individual would want us at this time in our history, when we are faced with the great menace of communism, to do away with any controls in any way affecting the security of the Canadian people and our country.

However, Mr. Speaker, I would ask the Minister of Citizenship and Immigration to take a fresh look at the act. After all, we only amended one section at the last session of parliament. It was the worst section, but I would say that the debate today has been most useful in that other sections have been brought to light which could probably stand some review. We see cases reported in our daily newspapers about the odd person being denied the opportunity of Canadian citizenship and, according to precedent, reasons are not given. I think this is another reason why on the one hand we should try to be as tolerant as possible in giving people the opportunity to obtain Canadian citizenship while on the other hand we must maintain some kind of control to protect our security and be sure that what we do is in the best interests of the whole country.

As I said before, the act as it now stands on the statute books is probably much more generous than the faulty amendment presented today in the bill sponsored by the hon. member for Bonavista-Twillingate. In the last 10 or 12 years we have seen over a million newcomers arrive in Canada, and from my experience I want to say that most of them are turning out to be first-class citizens and equal to those of us who are natural born. On the other hand, undoubtedly there may be the odd one in days to come who may turn out to be one of those to whom reference has been made by previous speakers. For that reason I feel that the act as it stands today, containing section 19 (1), should be left as it is rather than taking the action suggested by the hon. member for Bonavista-Twillingate on the basis of the attitude, well, what is wrong if one bad individual should get by?

I think this also involves a matter of principle. We are trying to build a great country. We have fine people who have come here to join those of us who were natural born in building the country and I think it is in the interests not only of naturalized Canadians but of natural born Canadians that we protect and maintain the high standard of Canadian citizenship. As I read the bill, the hon. member for Bonavista-Twillingate is merely splitting hairs on a very fine, minute point involving whether we should or should not forget about a certain type of individual who as a result of his actions has been charged with a certain offence and who, if he fails to respond and defend himself as any loyal Canadian should be prepared to do, may be in danger of losing his citizenship.

The true spirit of Canadian citizenship is now manifested in our act, and I have already discussed at some length the fact that there will always be little things which will neither fit this way nor that way in our laws. The best example of that was my reference to dual citizenship. Natural born Canadians do not have the opportunity to obtain dual citizenship while some naturalized Canadians do. No amount of legislation will ever change that fact because there is no way in which a natural born Canadian can obtain dual citizenship. So I say we must work toward the goal about which the Prime Minister has preached for so many years throughout the land, namely equality of opportunity for all our citizens irrespective of whether they are natural born or whether they have come here from other countries to make a home for themselves and their children. I should like to point out the paradox in the thinking of my hon. friend opposite when he says he is in favour of a cradle immigration policy. I say this thinking contravenes the laws of biology such as Mendel's law. When you have natural born Canadian citizens here, like some hon. members present, whose parents came here from other countries, then by my hon. friend's designation the ones who were born here would be first-class Canadian citizens but these children would be sons or daughters of second-class Canadian citizens.

This is not in agreement with the laws of biology.

I would conclude my remarks today by saying that the actions of this government, during the year and a half in which they have been in office, have proven beyond the shadow of a doubt where they stand on this great question of a realistic appreciation of the problems which face our naturalized Canadians. We have faced up to these problems. As I mentioned before, we did the right thing in so far as reducing the discriminatory 20-year requirement for the old age pension was concerned. These people are appreciative of that and aware of that. We did the right thing when we amended this act in 1958 by eliminating the gross errors which were put into it by my hon. friend and his colleagues of the previous Liberal administration. I want to assure my hon. friends in this house that this government, under the able leadership of one of Canada's greatest prime ministers, John Diefenbaker, will do everything possible to make sure that our naturalized Canadian citizens will enjoy equality of opportunity and equality of citizenship that natural born Canadians enjoy.

Mr. Pickersgill: The hon. member for High Park said he would permit me a question. He has suggested I am opposed to immigration. Would he just look at the immigration figures for Canada during the last year I was minister, and compare them with the figures since?

Mr. Kucherepa: Although the question is not a proper one, I would be happy to answer it because it was the hon. member himself who stopped immigration into Canada in April of 1957.

Mr. Deputy Speaker: Order; this could hardly be referred to as a question, so I do not consider the hon. member for High Park has to answer it.

Mr. Gabriel Roberge (Megantic): Mr. Speaker, I have listened to the members who have taken part in this debate. Although every one of them spoke in English, I do not object to that. However, at this time I feel that a French voice should be heard on the matter.

(Translation):

Mr. Speaker, I do not propose to speak very long, as I am perfectly aware of all the tricks that can be used to prevent a bill from being voted on or passed in the house.

An hon. Member: So are the Conservatives.

Mr. Roberge: After the speeches we heard today, it seems to me that all here are agreed on the principle of the bill; and, if my understanding of English is good, all have suggested that they wanted Canadians to enjoy equal treatment, whether they are Canadian born or naturalized citizens. I therefore gather that all agree on the principle of the bill. Hence I fail to understand how my hon. friends opposite who took part in this debate could have come to the conclusion that they would vote against the bill. Their only objection to the bill is that it is not worded as they would have it. Now, the only way to achieve this purpose is to refer the bill to a committee—

(Text):

Mr. Monteith (Perth): Move another amendment.

(Translation):

Mr. Roberge: Mr. Speaker, a moment ago, the hon. member for Cartier (Mr. Crestohl) introduced an amendment under section 41 of the standing orders. While I do not wish to question the ruling given by the previous speaker, there is, it seems to me, another way of dealing with the bill in its textual form, and it is to refer it to the committee of the whole. However, I am very much afraid that, if we were to do that, it would probably be 10.05 o'clock by then, and the house would be adjourned. The bill would drop to the bottom of the list, as happened in the past. Therefore, in order that Bill C-2, introduced by the hon. member for Bonavista-Twillingate (Mr. Pickersgill), may be referred to a committee, I think it is my duty to move the following amendment—

(Text):

I feel that at this time it is my duty to move an amendment to the motion before the house. I move, seconded by the hon. member for Dollard (Mr. Rouleau):

> That Bill No. C-2 be not now read a second time, but that the subject-matter thereof be referred to the standing committee on external affairs.

Having looked at standing order 65, I suggest that that committee is the most appropriate one for a study of this matter.

Mr. Pallett: On a point of order, Mr. Speaker. The amendment refers the bill to a committee of the house which has not yet been set up.

An hon. Member: It is a standing committee.

Mr. Pallett: It is a standing committee, but it has not yet been set up, and it is obvious that this motion is out of order. I have not the reference at hand, but in Beauchesne's fourth edition, I think it is, page 278, citation 387, we find this:

> On the motion for the second reading of a bill to amend the Canada Grain Act, and a proposed amendment that the subject-matter thereof be referred to the standing committee on agriculture

and colonization, the Speaker ruled the proposed amendment out of order on the ground that the standing committee on agriculture and colonization had not yet been appointed. On an appeal the ruling was sustained by 108 yeas to 41 nays.

Mr. Crestohl: I should like to say a word on the point of order, Mr. Speaker. The house is doing its business in a regular fashion. If the point raised by the hon. gentleman opposite is valid, then I respectfully submit the house could not carry on its business. We should not be sitting right now. I think the motion is in order. Otherwise we are simply going through the motions of sitting in the chamber with our hands tied with respect to certain procedures. There is a standing committee and I respectfully submit that it would be in order for the amendment to be considered and that the amendment should be sent to the standing committee on external affairs.

Mr. MacLean (Winnipeg North Centre): On the point of order, Mr. Speaker, may I say this. The mover of the amendment has stated quite emphatically that he approved of the principle of the bill but he says that there are certain defects in the bill which could be remedied by sending it to this committee. I have not Beauchesne in front of me but indexed under public bills somewhere in Beauchesne is the fact that on second reading, any member of the house who approves the principle of the bill in question cannot move an amendment to send the bill to a committee of the whole house where its defects could be remedied on third reading.

Mr. Deputy Speaker: On this matter I should like to read to hon. members a rule which was made last year and which appears on page 82 of the *Journals* of the House of Commons. This was a ruling which was made by the Speaker and it concerns the particular point of order which has been raised by the hon. member for Peel (Mr. Pallett). The ruling is as follows. I read the third paragraph of the ruling made by the Speaker:

Then the honourable member raised a further question whether the fact that the committee has no members has any effect at that time. I think perhaps I should not deal with the point in advance but I have considered it and I would like to tell the house that my view now, right or wrong, is that these are standing committees and although you may say there is no committee if there are no members the rules of the house do provide for the existence of a standing committee on railways, canals and telegraph lines to which this bill would automatically be referred under standing order 105, and so I do not think there is any difficulty at the present time.

It is my opinion that this ruling applies to the case being discussed at the present time. I therefore consider that the amendment which is being proposed and which is being moved by the hon. member for Megantic (Mr. Roberge) is quite in order.

[Mr. Pallett.]

Mr. Pallett: Mr. Speaker—

Mr. Caron: Are you appealing the ruling?

Mr. Deputy Speaker: Order. Each member will be listened to with a great deal of deference but it would be appreciated if everybody did not talk at the same time.

Mr. Pallett: On the point of order—

Mr. Caron: The point of order is settled.

Mr. Pickersgill: The decision has been made.

Mr. Pallett: With deference, Mr. Speaker—

Mr. Caron: The hon. member cannot discuss a ruling. He can appeal it but he may not discuss it.

Mr. Pallett: In the ruling I understood Mr. Speaker to say that the matter under discussion was automatically referred to the committee in question. I suggest for your consideration, Mr. Speaker, that this particular bill is not one that is automatically referred to a committee.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I had not intended to participate in this debate, although I have listened with a great deal of interest throughout the whole day. However, I must say that we in this group heartily support the amendment moved by the hon. member for Bonavista-Twillingate (Mr. Pickersgill). I will give the reason later. Before proceeding, however, I might say that so far as this group is concerned our record is unsullied with respect to any evidence of racial discrimination.

However, I rise to say that we support the amendment, particularly in view of the division of opinion that exists in the ranks of the Progressive Conservative party with respect to this question. The hon. gentleman who spoke prior to the one who preceded me apparently is not aware of the fact that his party has talked in different ways at different times in different places and has held strong convictions on both sides of this question of immigration. In that connection and in support of that statement I want to read briefly—and I think it is a real gem—from the throne speech debate as reported in *Hansard* of September 25, 1945, at page 433. I may say this was the opinion of the present Minister of Agriculture (Mr. Harkness) as expressed on that occasion:

However, I would not be in favour of a policy of unrestricted immigration. I believe the test as to whether a man should be admitted to Canada should lie in the answer to this question: can we readily and rapidly assimilate him? If the answer is no, then he should be excluded. Our experiences in the past fifty years should be a good enough guide to us in deciding as to whom we can or cannot readily assimilate. Certainly in that class would come all orientals. I believe we should rigidily close the doors against them.

Then later he goes on to say this:

I think it is only honest to make this submission, and to admit also that these oriental people cannot be assimilated into the broad stream of Canadian life. They cannot be made into thoroughgoing Canadians, and therefore it is better for them, as well as for us, to keep them out of the country.

In all fairness, Mr. Speaker, in the spirit of fair play, in view of the wide division of opinion in the ranks of the government supporters, I think this matter should go before the committee so that there can be a thorough examination of the question. I trust that the members on the government side, in fairness to those members who by conviction are on the other side of this question, will vote for this amendment so that everyone will have an opportunity to review the question in the light of the present circumstances and in the light of the good intentions of the hon. member for Bonavista-Twillingate.

Mr. E. A. Winkler (Grey-Bruce): Mr. Speaker, in speaking to this amendment may I say that I am of the opinion that this matter should not be permitted to be brought before the house in the way of a vote because certainly there are other hon. members who wish to bring their opinions to the attention of the house at this time. Although I would not have any inhibitions about voting on the bill, certainly the situation has changed somewhat now. The reason for this, Mr. Speaker, is simply that—and I thoroughly believe this—there is a lack of consistency here. In the original proposition the hon. member who has promoted this issue this evening has not thoroughly investigated the circumstances that exist in the first instance; and in the second instance, if he did so, he is merely creating a little bit more confusion in this house, as he has a habit of doing.

Mr. Pickersgill: Mr. Speaker, I rise on a point of order.

An hon. Member: Sit down.

Mr. Pickersgill: I am rising on a point of order, Mr. Speaker. We have before us an amendment moved by the hon. member for Megantic to refer the subject-matter of this bill to a committee. It seems to me that under the rules of relevancy the only subject that should be now discussed is whether it is opportune to refer the subject-matter of this bill to the committee. I would hope, Mr. Speaker, that you would enforce the rules with your usual justice.

Mr. Green: I suggest, Mr. Speaker, that the hon. member for Bonavista-Twillingate (Mr. Pickersgill), has had at least his fair share of the time of the house today. After all, this is not a one-man parliament. He acts as though the laws of this house began and finished with him. Now he raises this question of order, which is obviously an attempt to shut off the hon. member who now has the floor. This question of whether this bill should be referred to this particular committee is debatable, and the hon. member is quite within his rights in speaking as he is speaking. What did the hon. member for Kootenay West (Mr. Herridge) do? He got up and made a little speech on immigration. The hon. member for Bonavista-Twillingate (Mr. Pickersgill) very carefully refrained from interrupting him. These rules apply to everybody in the house, and my friends across the way, having found themselves stymied several times in the course of this debate today, have now resorted to these tactics of bringing in an amendment to refer the subject-matter of this bill to the standing committee. This is a question which the house can debate, and in the course of the debate as to whether or not that should be done any member of the house has the right to raise arguments such as are now being raised by the hon. member who has the floor. I suggest, Mr. Speaker, that his remarks are quite in order and that there should be no interference with his speech.

Mr. Deputy Speaker: There is no doubt that the question being at present debated in the house is on this particular amendment. But it must be brought to the attention of the hon. member for Bonavista-Twillingate (Mr. Pickersgill) that the remarks of the hon. member for Grey-Bruce (Mr. Winkler) are quite relevant to the item under discussion at present. Therefore he has the floor and his remarks are quite in order.

Mr. Winkler: Mr. Speaker, I am very glad this exchange has taken place, and I will tell you why very briefly. The hon. member who has brought this bill into the house will realize, before I am finished with him, that he would do very well to let me sit down right now. Not only that, but the member for Cartier (Mr. Crestohl) and the member for Bonavista-Twillingate have made appeals to this house that they are sure the members of this house are in agreement with this bill. Let me assure you, Mr. Speaker, that it is exactly the action of these two members, when they get together like this, which causes new members such as myself, members who wish to do an honest job in this house on behalf of their fellow Canadians, to become suspicious.

To add a little more weight to that sort of talk, I would like to say that the amendment, which I might say was dug up on quick notice, was raised after a great number of exchanges down in the back corner.

I do not think that is in keeping even with what the hon. member who has brought the bill into this house is endeavouring to do. I am happy, Mr. Speaker, that your ruling has allowed a humble backbencher such as myself to bring his views before the house on this matter. If I may make reference to the words of the hon. member for High Park (Mr. Kucherepa), I might say that he spoke in a manner which would lead one to think his words were those of a naturalized Canadian. Although he is a natural born Canadian, I am sure he speaks with the same feeling as those who have received their naturalization in this country would also speak.

With regard to a few other remarks which were made previously today, I might say I have listened with interest during this debate to the hon. member for Winnipeg North (Mr. Smith), who made some statement to the effect that he believed that the hon. member for Bonavista-Twillingate brought this measure before the house today with all sincerity, and so on. I can only say that reviewing the record of his government when they were in office, one can hardly agree. The hon. member creates confusion on every occasion when he is involved in debate, and in this regard I would agree with my colleague from Winnipeg North. As a matter of fact, I think the members of this house who heard the hon. member for Bonavista-Twillingate a matter of 24 hours ago would agree with me, because he was pulling the same stuff outside of the house.

Now referring to the business that is before us, the hon. member for Bonavista-Twillingate related to this house that he had consulted naturalized Canadians on this matter. He intimated in the first part of his remarks that these people who were consulted were people who had emigrated to Canada, and that reference would have led one to believe that they were fairly recent immigrants, even though, as he admitted, they did not agree with him. But as soon as he spoke to them they readily agreed with him, and of course one can understand that, because that is the way things work in their party.

Mr. Speaker, the hon. member who introduced this bill today indicated to the house that the provisions which would be affected by the enactment of this legislation would not cause a great deal of concern; that is to say, it would happen once in a long period of time. Indeed, that was mentioned by quite a number of the hon. members who rose to speak today. But let us consider what might happen. The hon. member for High Park made reference to a matter which I might bring again to the attention of the house because of its seriousness, and that is as to what might happen if we eliminate this particular section from the act. When one realizes that it does happen occasionally, and when we know the serious results of such actions in other countries which have happened in the not too distant past, I am sure that it requires a little more study and thought than the member for Bonavista-Twillingate has given to that particular matter. So far as I am concerned, I think the principle that is involved here is this. I have mentioned to this house before that quite a number of us are not too far removed from being in the category of naturalized Canadians, and I am certainly one of those people. Indeed, I became a Canadian because of my leaving two different countries in order to come to Canada, and I am quite sure the same circumstances exist today. I am quite sure that things have not changed much since then. Canadian citizenship is cherished as much today as it was then; it is a very important and basic thing with us that all the people who seek Canadian citizenship treasure it and serve it well.

The hon. gentleman who introduced this bill has certainly made the issue a very confusing one. First of all, he denies he made certain statements. Then when the statements are read, he applauds them and says: "Isn't it true?" He says he feels he has been responsible for a vast amount of immigration into this country. He thinks he can make himself clear on each and every point. But it is not too clear at all when you listen to everything he has to say.

An hon. Member: It never is.

Mr. Winkler: I agree. It certainly is a peculiar thing to me. I do not pretend to be a legal light such as he is, or such as he pretends to be—I am not sure which of the two he is—though I may say I do congratulate the hon. member on his newly-found academic qualifications. At the same time I should like to point out that this bill is academic too; it is academic in the principle involved and in its application into the bargain.

I have made statements that I realize I will have to back up in one way or another. I should like to refer hon. members to *Hansard*. The hon. member himself made reference to this, and he admitted saying it, but he did not go far enough. I think for the benefit of the record we should have this clear, because this is one of the ways in which the hon. gentleman confuses the house eternally. First of all, when the minister introduced her bill to the house last session,

having given it full and thorough consideration and having taken all the facts into consideration, she said as reported on page 3930:

> The primary purpose of this bill is to remove certain discriminations which now exist against other than natural born Canadian citizens in relation to loss of Canadian citizenship and, in addition, to make it clear that a person who does not take the oath of allegiance in good faith at the time of acquiring Canadian citizenship is liable to have his Canadian citizenship revoked.

Now let us see what the hon. member for Bonavista-Twillingate said in relation to that particular bill on second reading as reported on page 4691 of *Hansard* for September 5, 1958:

> —once we have a naturalized person he should have all the rights of a natural born person—

Mr. Pickersgill: Hear, hear.

Mr. Winkler:

> That, I may say, is a principle about which I know there are a good many administrative inconveniences.

And, later on, the hon. gentleman says this:

> It seems to me that the number of persons who come under the new section 19 is so small that we might just as well take the bad with the good.

Some hon. Members: Shame.

Mr. Winkler: I think the hon. member who claims to have an answer to all our citizenship problems, and an answer to all our population difficulties—how he does it, whether by means which are morally good, bad or indifferent, does not seem to matter to him—should either repent for what he has done in the past or take another look at what he is endeavouring to do.

But that is not the only evidence. I am not against some similar type of legislation—not for one moment—but I am endeavouring to prove to the house this evening that the hon. member for Bonavista-Twillingate is certainly an expert, as he tries to keep telling the nation. He is certainly an expert in creating confusion. I would ask hon. members to bear in mind that I am not a lawyer and do not profess to be one, but this bill, if it were passed, would mean absolutely nothing. The whole principle would mean absolutely nothing so long as the War Measures Act remains in effect. While that act is on the statute books it would be null and void. And why? Because an order in council instituted by the hon. gentleman's own government on November 26, 1942 says this:

> Any person who is a British subject by reason of marriage, or by reason of birth or naturalization in Canada, or by reason of the birth or naturalization of his father in Canada, and who makes application for repatriation to any country which at the time of application is at war with Canada, shall, as from the date of his departure from Canada for repatriation, cease to be a British subject.

Not only that individual but all the members of his family would immediately cease to be Canadian citizens even if they had been born in Canada. To give this double meaning and to ruin further the meaning of the bill which the hon. member is endeavouring to have read a second time, I should like to read another excerpt from an order in council dated December 15, 1945, and I quote:

> Any person who being a British subject by naturalization under the Naturalization Act, Chapter 138, R.S.C. 1927 is deported from Canada under the provisions of order in council P.C. 7355 of 15th December, 1945, shall, as and from the date upon which he leaves Canada in the course of such deportation, cease to be either a British subject or a Canadian national.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Before you leave the chair, Mr. Speaker, I wonder if I might ask the leader of the house if it is still his intention to go ahead as he indicated last night.

Mr. Green: Yes.

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

Questions

ANSWERS TO QUESTIONS

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

CONVERSION LOAN STATISTICS

Question No. 31—**Mr. Howard:**

1. What are the additional per annum interest charges to the government arising out of the Canada conversion loan last summer?

2. What were the total costs to the government for (a) cash adjustment payments; (b) commissions; (c) advertising; (d) administration, in connection with the Canada conversion loan?

3. What total amount of outstanding victory loans on the last day of business prior to the inauguration of the conversion loan campaigns was converted and what proportion was held by: (a) life insurance companies; (b) government agencies; (c) chartered banks; (d) Bank of Canada; (e) other financial institutions; (f) individuals?

4. What proportion of victory loans was converted to (a) 4½ per cent—25 year bonds; (b) 4¼ per cent—14 year bonds; (c) 3¾ per cent—7 year bonds; (d) 3 per cent—3¼ year bonds?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. The change in annual interest charges to the government resulting from the Canada conversion loan cannot be calculated since it necessitates a comparison of known interest charges on conversion loan and unconverted victory loan issues with unknown interest charges arising in connection with refundings of maturing victory loan issues. There is no way of predetermining the interest rates at which the victory loan issues would have had to be refunded either at final maturity or at various call dates, in the absence of the conversion loan. Estimated per annum interest of the new conversion loan issues plus unmatured and unconverted victory loan issues for calendar year 1959 is $250,888,250. Per annum interest of victory loan issues in 1958, assuming that no issue had been refunded prior to maturtiy, would have been $192,476,410.50.

2. Preliminary estimates of total costs to the government are as follows:

Issue	
(a) 4½ per cent—25 year bonds	
(b) 4¼ per cent—14 year bonds	
(c) 3¾ per cent— 7 year bonds	
(d) 3 per cent—3¼ year bonds	
(a) Cash adjustments —	
accrued interest to September 1, 1958	$42,100,000
balance	$42,400,000
Total	$84,500,000
(b) Issuing fees payable to issuing agents	$ 7,003,000
Commissions payable to sales agents	$19,478,000
(c) Advertising costs	$1,495,000

(d) Administrative costs — $1,265,000 — including costs of printing and distributing bonds)

3. The total amount of victory loans outstanding on July 11, 1958 was $6,415.9 million. Of this total it is estimated that $5,805.5 million were converted into new conversion loans.

Estimated holdings of victory loans at July 11, 1958 are given below. Other categories of holdings were not established in more detail than shown below.

ESTIMATED HOLDINGS OF VICTORY LOAN

at July 11, 1958

($'s billion)

Holder	Amount	Per Cent of Total
Bank of Canada	1.3	20 per cent
Government accounts	.4	6 per cent
Chartered banks (1)	1.4	22 per cent
"Exempt names" (2)	1.4	22 per cent
Other investors	1.9	30 per cent
Total	6.4	100 per cent

(1) Includes 2 Quebec savings banks.

(2) Includes financial institutions such as insurance companies, fraternal benefit societies, regional and local caisses populaires, general business corporations and funds such as pension funds administered by them; charitable, educational and religious organizations; public funds including funds controlled or administered by provinces and municipalities.

4. The distribution between conversion loan issues of the estimated victory loan conversions of $5,805.5 million is as follows:

Amount $'s millions	per cent of total
2,151.5	37.1 per cent
1,366.6	23.5 per cent
1,266.7	21.8 per cent
1,020.7	17.6 per cent
5,805.5	100.0 per cent

CONVERSION LOAN COSTS

Question No. 42—**Mr. Benidickson:**

In connection with the Canada Conversion Loan of 1958:

1. What was the aggregate amount of the "cash adjustment" paid to holders who converted victory loan bonds, and what portion of such amount represented interest accrued to 1st September, 1958?

2. What was the aggregate amount of commissions?

3. What was the aggregate amount of the issuing fees?
4. What was the cost of advertising?
5. What were the costs of printing and other expenses incurred?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

Only preliminary estimates are available at this time and on the basis of these the answers are as follows:

1. First part, $84,500,000; second part, $42,100,000 or about 49.8 per cent.
2. $19,478,000.
3. $7,003,000.
4. $1,495,000.
5. $1,265,000.

VICTORY LOAN BOND CONVERSIONS

Question No. 43—**Mr. Benidickson:**

1. What was the aggregate principal amount of the victory loan bonds converted into the Canada conversion loan of 1958?
2. What were the annual charges (a) for interest; (b) for amortization of discount and other expenses, in respect of the victory loan bonds so converted?
3. What is the aggregate principal amount of Canada conversion loan bonds issued in exchange for the victory loan bonds which were converted?
4. What are the annual charges (a) for interest; (b) for amortization of the premium and other expenses, in respect of the said Canada conversion loan bonds?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. Preliminary estimate, $5,805.5 million.

2. (a) $5,805.5 million at 3 per cent or $174,165,000. (b) It is not feasible to apportion an amortization amount to the principal amount of victory bonds converted. However, in the fiscal year 1958-59 the amounts of $2,420,519.33 will be applied toward the amortization of the outstanding balances of costs in respect of the 7th, 8th and 9th victory bonds. As at February 1, 1959, the costs in respect of the 7th loan were amortized completely and those in respect of the 5th and 6th were amortized completely on their respective call dates, i.e., January 1, 1956 and June 1, 1957.

3. Same as No. 1.

4. (a) Preliminary estimate, $233,020,250; (b) Preliminary estimate, $7,562,000.

FARM LOAN BOARD, N.B.—LEGAL SERVICES

Question No. 47—**Mr. Michaud:**

1. What are the names and addresses of firms and/or individuals engaged for legal service for the farm loan board in New Brunswick in 1958?
2. What total amounts were paid for the year 1958 to each firm and/or individual?
3. What is the average length of time taken to process a loan under the Canadian Farm Loan Act?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. Hugh W. Church, 19 Market Square, Saint John, N.B.

2. $374.44.

Questions

3. The average length of time taken in New Brunswick from the ordering of an appraisal to the date of approval of a loan by the Canadian farm loan board is 29 days. Average time taken in New Brunswick to process loans by solicitors acting on behalf of the borrowers is 81½ days.

EXTERNAL AFFAIRS—FOREIGN PERSONNEL

Question No. 77—**Mr. Fisher:**

1. Does the Department of External Affairs hire and use the services of natives of the countries in which posts are established?
2. If so, how many, in what positions, at what posts?

Answer by: **Hon. Sidney E. Smith (Secretary of State for External Affairs):**

1. Yes.

2. 619 (509 in established positions and 110 on a maintenance basis) at 59 posts. Employees in established positions are divided into two categories: Clerical (translator, accounts clerk, stenographer, typist, receptionist-telephonist, clerk and messenger) and non-clerical (chauffeur, driver, senior servant, gardener, watchman and messenger). Maintenance employees include char staff, caretakers, assistant gardeners and furnacemen.

Post	Clerical	Non-clerical	Maintenance	Total
Accra	3	4	5	12
Ankara	4	4	3	11
Athens	6	4	4	14
Beirut	4	2	1	7
Belgrade	2	4	2	8
Berne	4	3	0	7
Bogota	3	4	1	8
Bonn	6	6	3	15
Boston	1	3	0	4
Brussels	6	3	7	16
Buenos Aires	6	3	1	10
Cairo	5	4	4	13
Canberra	6	4	0	10
Caracas	4	4	1	9
Chicago	5	2	0	7
Ciudad Trujillo	1	1	0	2
Colombo	3	8	2	13
Copenhagen	5	2	2	9
Djakarta	5	4	4	13
Dublin	3	4	5	12
Geneva	1	4	1	6
The Hague	6	4	8	18
Havana	4	3	0	7
Helsinki	3	1	1	5
Karachi	9	6	2	17
Kuala Lumpur	2	3	0	5
Lima	3	3	2	8
Lisbon	5	3	3	11
London	40	10	4	54
Los Angeles	4	3	0	7
Madrid	2	4	1	7
Manila	0	3	0	3
Mexico	6	5	0	11
Montevideo	1	1	1	3

Post	Questions Clerical	Non-clerical	Maintenance	Total
Moscow	2	7	3	12
Nanking	2	4	0	6
New Delhi	10	12	8	30
New Orleans	3	3	0	6
New York (Consulate)	2	1	0	3
New York (Permdel)	1	1	0	2
Oslo	3	4	0	7
Paris (Embassy)	15	7	0	22
Paris (Nato)	1	4	0	5
Port-au-Prince	1	2	1	4
Port of Spain	0	2	0	2
Prague	3	4	2	9
Pretoria	3	3	1	7
Rio de Janeiro	7	5	2	14
Rome	9	5	6	20
San Francisco	5	2	0	7
Santiago	5	4	1	10
Seattle	3	2	0	5
Stockholm	3	3	2	8
Tel Aviv	2	4	1	7
Tokyo	9	10	6	25
Vienna	3	4	1	8
Warsaw	5	3	3	11
Washington	3	12	5	20
Wellington	3	4	0	7
Total	271	238	110	619

LOBSTER TRAPS CONFISCATED, P.E.I. AND N.B.

Question No. 90—**Mr. Robichaud:**

1. What was the total number of lobster traps destroyed or confiscated by officers of the Department of Fisheries: (a) in Prince Edward Island waters; (b) in New Brunswick waters, for the years ending March 31, 1953, 1954, 1955, 1956, 1957 and 1958?

2. What was the total number for the period April 1, to December 31, 1958?

Answer by: **Hon. J. A. MacLean (Minister of Fisheries):**

1. Year ending	P.E.I.	N.B.	Total
March 31, 1953	4339	2535	6874
March 31, 1954	7260	3858	11118
March 31, 1955	3291	5095	8386
March 31, 1956	3687	3037	6724
March 31, 1957	4096	3119	7215
March 31, 1958	6588	5199	11787
	29261	22843	52104

2.		
P.E.I.	8614	
N. B.	6335	
	14949	

FARM IMPROVEMENT LOANS ACT

Question No. 95—**Mr. Benidickson:**

1. How many loans and in what aggregate amount were made in 1958, under the Farm Improvement Loans Act?

2. How many claims were paid to banks in 1958, and what was the total value?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. Preliminary figures are: 69,996 loans in the aggregate amount of $90,195,502.54.

2. Final figures are: 277 claims in the total amount of $217,638.28.

HOUSE OF COMMONS

Friday, February 6, 1959

The house met at 11 a.m.

EXTERNAL AFFAIRS

COLOMBO PLAN—STATEMENT ON AID TO INDIA

Hon. Sidney E. Smith (Secretary of State for External Affairs): On August 28, 1958, Mr. Speaker, my colleague the Minister of Finance reported to the house on a special meeting that had been held in Washington under the auspices of the international bank to consider means of alleviating India's foreign exchange difficulties. The Minister of Finance stated at the time that in the light of that meeting it appeared that the most helpful thing Canada can do is to continue to provide India with the Canadian goods she may require in her development program.

In the intervening months there have been detailed discussions between Canadian and Indian officials as to the type of assistance that would be most effective in helping India carry forward her economic development program and which Canada was in the best position to provide. I am pleased to be able to inform the house today that as a result of these discussions it has been agreed that $17 million will be made available to India out of the Colombo plan appropriation for the fiscal year 1958-59 to enable the Indian government to purchase in Canada essential commodities and equipment which they have requested from us.

Of the $17 million, $1 million will be applied to the Canada-India reactor to enable the work on that project to go forward; $10.5 million will be devoted to the provision of industrial raw materials including aluminum, copper and nickel, which are urgently needed by India in various phases of her development program and which will help sustain adequate levels of industrial activity and employment; $2.5 million will be provided in the form of railway sleepers—which I interpret as railway ties—to assist in the expansion and improvement of railway facilities in India; $2.5 million will be made available in the form of fertilizers which are required in connection with India's program to increase her food production; $120,000 will be devoted to the purchase of another three Cobalt beam therapy units for use in Indian hospitals. Discussions covering allocation of the balance of the funds being made available to India in the current fiscal year are still in progress.

In all cases where Canadian aid is taking the form of commodities, the Indian government has agreed to establish local counterpart funds equivalent to the amount of the Canadian grant. These counterpart funds, as in the past, will be used to cover the local costs of economic development projects agreed upon by our two governments.

The house will be aware, Mr. Speaker, that over the past 15 months Canada was also able to assist India in meeting her requirements of food grains by making available a total of $48 million in the form of grants and loans for the purchase of Canadian wheat. Of this amount $7 million has been provided under the Colombo plan and $41 million over and above the assistance available to India under the Colombo plan.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I am sure all members of the house will welcome the statement the minister has just made with regard to the assistance which is to be provided to India under the Colombo plan. I understand from his statement that from the appropriation of $50 million which the government intends to ask from parliament, $17 million will be used for assistance to India. I am glad that the minister has emphasized the desirability—I think he emphasized it—of giving this assistance in the form which was originally contemplated under the Colombo plan, that is capital assistance, and that the amount of $7 million for wheat that was made available last year for India, to which he referred, is not to be taken as a normal practice under the Colombo plan. I think the minister will agree that it was the intent of the Colombo plan that the assistance given should be capital and technical and not in the form of consumer goods, except when there was an emergency and when the country concerned, because of that emergency, desired that form of assistance.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, we welcome the announcement that has been made this morning. We of the C.C.F. recognize, as I am sure other members of the house do, that India is the bastion of freedom in Asia and that with her second five-year plan she has experienced some rather serious difficulty. I am sure the Canadian people will welcome any assistance to India to help her develop her economy.

Wheat—Change in Pricing Policy

Our position with regard to economic assistance is clear. We believe that the government should have set aside a much larger sum of money than has been done on any previous occasion in order to provide for economic assistance to undeveloped countries generally. We feel that the main purpose of the Colombo plan has been capital and technical assistance. We have always said that whenever it became necessary, from India's point of view, to use part of these funds in an emergency for the purchase of food, we were quite in agreement that that be done. We feel the two things generally should be kept separate, namely the Colombo plan for capital assistance and economic development and the other necessary measures taken to assist India to meet her difficult problem of feeding the people of that nation.

Mr. Smith (Hastings-Frontenac): Mr. Speaker, in order to keep the record accurate may I say this. I may have misunderstood the Leader of the Opposition (Mr. Pearson). The figures and the plan of projects I gave to the house this morning relate to the fiscal year 1958-59. We will ask the house for $50 million, an increase from $35 million, for next year, 1959-60.

GRAIN

WHEAT—STATEMENT ON CHANGE IN PRICING POLICY

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I have an announcement to make with regard to the Canadian wheat board pricing policy. Due to the fact that with the opening of the St. Lawrence seaway the largest lake vessels will be able to carry wheat directly from the lakehead to St. Lawrence ports, with a consequent saving in transportation costs, the Canadian wheat board has introduced a change in its pricing policy.

The board announced that effective January 30, 1959, there would be an increase in the lakehead price of wheat of 5⅝ cents per bushel, exclusive of a ¼ cent exchange adjustment in price due to a decline in the premium on the Canadian dollar that day. As wheat is usually purchased by the buyers, and ocean freight arranged several weeks ahead of the intended date of shipment, the Canadian wheat board found it necessary to announce these changes in selling prices at this time, even though the seaway will not be open to navigation until late April of this year.

This increase, which represented the board's preliminary estimate of the gross saving in freight likely to be realized, was put into effect to ensure that the benefits of the seaway would be reflected in an increase in the final payment to western producers.

The increase applies only to the board's lakehead prices. Other than the daily exchange variation to which they are subject, no change was made in the board's selling prices for wheat for shipment from St. Lawrence, Atlantic and Pacific coast ports, or from Port Churchill.

The laid-down prices of wheat in the United Kingdom, European and other markets from these ports have not been affected by the increase in lakehead prices.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the minister a question. As a consequence of the minister's statement, or the announcement which he has made, does it not follow that there will be a reduction of 5 to 6 cents per bushel on wheat, as announced several years ago by the former government?

Mr. Churchill: A reduction of what?

Mr. Chevrier: Perhaps I could put the question in this way. In view of the announcement the minister has just made, does it not follow that because of the reduction in transportation costs, as announced by the former government there will be a reduction in the cost of the movement of grain of 5 cents to 6 cents a bushel?

Mr. Speaker: Will the minister allow the hon. member for Assiniboia to comment on his statement before replying?

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the increase which took place in the price of wheat at Fort William and Port Arthur a week ago today, according to press reports at that time of 5⅞ cents a bushel—the minister says today 5⅝ cents a bushel—was a very important one. This will result in an increased return to western grain producers on almost one-half the total wheat crop that is marketed from the three prairie provinces. This is a dividend that the prairie region is receiving, or will receive, from the St. Lawrence seaway. When I first saw the announcement in the press stemming from Winnipeg I wondered if the government's footwork in parliament was not just a little clumsy, because I had expected that this very important announcement would be made here perhaps simultaneously with the change at Fort William and Port Arthur. Nevertheless, it is a very important announcement.

I may have misunderstood the statement of the hon. member for Laurier (Mr. Chevrier), but I think the action taken in this case by the Canadian wheat board was the right one, namely that the advantage

should accrue to the western grain producers while maintaining the principle that they have followed now for a few years of selling the grain at lakehead ports and the Pacific coast at the same price. This, Mr. Speaker, I calculate, based on recent history, should result in a one-year period in an increase in income to the grain producers of western Canada of something between $7 million and $8 million.

This is a very important step which has been taken. I express the hope now that other action with regard to wheat will not take away any substantial part of this advantage. As a matter of fact, some part of this increase has already been lost by a change in demurrage charges, and I hope there will be no increase in handling charges of grain in the future to detract from this very important step that the Canadian wheat board has now taken.

Mr. Churchill: In answer to the question of the hon. member for Laurier, this is a reflection of the reduced transportation charges which will come about as a result of the opening of the seaway, and the western producer will get the benefit of that reduction in transportation charges. It will not necessarily be to the full amount of 5§ cents. It might be somewhat under that; nevertheless it will be substantial.

[*Later:*]

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce related to the announcement he made. Did the wheat board take cognizance of the tentative seaway tolls on lake shipping in setting this price increase? If so, is an adjustment in the price increase either up or down possible if the tentative toll schedule is changed?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I did not hear the question very clearly because of some noise in the chamber. Perhaps I might take it as notice and have a reply for the hon. member on Monday.

WHEAT—REQUEST FOR STATEMENT ON DELIVERY AND QUOTA POSITION

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce based on a newspaper report that there is space in Saskatchewan country elevators for 24 million bushels of wheat. In view of this elevator space for 24 million bushels of farm-stored wheat, will the minister inform the house what steps are being taken by the Canadian wheat board to see that delivery quotas are available for this amount of wheat?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I should like to thank the hon. member for giving me notice of his intention to ask this question. The delivery situation in western Canada is much better than it was a year ago, and there is obviously elevator space available for farmers who wish to deliver their grain.

For all provinces, taking 1957-58, there were as of January 26, 241 delivery points on the 1-bushel quota, 1,146 on the 2-bushel quota and 650 on the 3-bushel quota. This year 598 points are on the 2-bushel quota, 1,091 on the 3-bushel quota, 298 on the 4-bushel quota and 41 on the 5-bushel quota, showing a decided improvement in the delivery opportunities for western farmers.

Mr. Hazen Argue (Assiniboia): I wonder whether the minister is able to tell us how farm marketings of grain in the crop year to date compare with farm marketings of grain in the crop year one year ago? As a related question I would also ask whether the Canadian wheat board in ordering shipments of grain has some grain sent to Vancouver, for example, even though this is against the freight rate for a certain distance? In other words, is it the policy of the Canadian wheat board generally to keep quotas equal even though this means some freight back-haul?

Mr. Churchill: With regard to the first part of the hon. member's question, producers' marketings by provinces were a shade higher a year ago, amounting on January 22 last year to 238.5 million bushels of wheat, oats, barley, rye and flax. This year producers' marketings as of January 21 amounted to 217.2 million bushels, but having in mind the quota distribution there is plenty of opportunity for farmers to market their produce as they desire.

With respect to the second part of the hon. member's question, I do not think it can be answered briefly, and I wonder whether he would not be content to wait until the agriculture committee is set up and the wheat board officials are here, when he can discuss that particular point with them. I do not quite see the urgency of it as of today.

Mr. Argue: I might tell the minister that I have asked the question because it is a very important one to the people of the area I represent, and also areas represented by the hon. member for Moose Jaw-Lake Centre and others which are almost midway on the

freight rate schedule between the terminal shipping points. If there is a measure of overlapping in orders to Vancouver and Fort William it provides an opportunity to equalize grain delivery quotas.

Mr. Churchill: I will direct the hon. member's question to the wheat board and have an answer for him shortly.

COAL

NOVA SCOTIA—REQUEST FOR STATEMENT ON DISCUSSIONS RESPECTING LAY-OFFS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister if he will report to the house on discussions held earlier this week with regard to representations from Nova Scotia about mass lay-offs in the coal industry, and advise the house whether any remedial action is contemplated by the government.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, a few days ago a delegation from Nova Scotia consisting of the premier of that province and other representatives, met with me and other ministers in connection with the situation resulting from the glut in coal and the stockpiling of some 1,200,000 tons or more.

A general discussion took place. The views of the people present were listened to, and consideration is being given to whatever action may be taken to the end that the situation may be met. In saying this I am not indicating at the moment what if any action will be taken. Certainly the representations were of such a nature and were so reasonably and fully made that they deserve the fullest consideration, and this they are receiving.

(Translation):

DOMINION-PROVINCIAL RELATIONS

ONTARIO—REQUEST FOR COMMENT ON REPORTED STATEMENT BY PREMIER

On the orders of the day:

Mr. Rodolphe Leduc (Gatineau): Mr. Speaker, I should like to direct a question to the Prime Minister arising out of a front page article in yesterday's *Le Droit*.

Allow me to read one or two sentences of that article, so that the Prime Minister may fully understand my question. The article reads in part as follows:

> Premier Leslie M. Frost stated in the provincial legislature yesterday, that this year he is bent on getting at least $100,000,000 more out of the tax-sharing arrangements with the federal government. Mr. Frost went on to say that he "had not backed down a quarter of an inch" from the position he took when the Liberals were in power in Ottawa.

[Mr. Argue.]

My question is this. Can the Prime Minister tell us whether his government intends to agree to his request for $100 million in grants this year?

(Text):

Mr. Speaker: The question addressed to the Prime Minister really asks the government to declare its policy. If the Prime Minister wishes to deal with it at this time there is of course no objection, but it seems to me that this is the type of question, relating as it does to a policy decision of the government, which should not be asked on the orders of the day.

Right Hon. J. G. Diefenbaker (Prime Minister): That was the point I was about to make. Any question of policy is a matter for the determination of the government, to be brought before the house when determined.

Hon. Paul Martin (Essex East): May I ask the Prime Minister if he does not think this question could be clearly resolved by his convening a conference of the provinces to settle this matter?

Mr. Diefenbaker: Recently I have noticed a very considerable change in the manner of the hon. gentleman. I seem to remember that the question of hospitalization and health insurance could have been settled very quickly by a presentation to the house, but it took some 30 years on the part of the government of his day.

Mr. Martin (Essex East): Mr. Speaker, may I ask the Prime Minister a further question. Obviously he did not understand the question I put to him a few moments ago. In view of the statement made by Premier Frost can the Prime Minister not tell us now whether he proposes to try to resolve Premier Frost's dilemma by calling a conference with the provinces, as he said in 1957 he would do at the earliest possible moment?

Mr. Diefenbaker: Mr. Speaker, I have no amendment to make to the answer I gave a moment ago, but I understated the period by eight years.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: Is the hon. gentleman rising to ask a supplementary question?

Mr. Martin (Essex East): On a point of order, Mr. Speaker. Under our rules it is clear that if a prime minister or a minister does not wish to answer a question he may follow that course, but under our practice a prime minister particularly is under an obligation to at least indicate whether or not he feels that a question put is one that he does not intend to answer. The Prime Minister by today's diversion has clearly—

Mr. Speaker: Order. I think the hon. member for Essex East when he rose indicated that the practice and rules do not require a minister to give an answer. A question usually calls for a reply, but not necessarily for an answer.

Mr. Martin (Essex East): Mr. Speaker, we on this side of the house have rights.

Some hon. Members: Order.

Mr. Martin (Essex East): While we may have difficulty sometimes in having this government recognize these rights, nevertheless we propose—

Mr. Speaker: Order. If the hon. member has a point of order I of course will hear it, but it seems to me that he is rather attempting to engage in a controversy.

Mr. Martin (Essex East): Mr. Speaker, I was about to state my point of order when I was interrupted by hon. gentlemen opposite. Twice I asked a question of the Prime Minister, as to whether or not he proposes to call a dominion-provincial conference, and he replied in both instances by giving an answer in regard to another matter altogether. Now, that is a violation of the privileges of this house—

Some hon. Members: Order.

Mr. Martin (Essex East): I recognize that it is within the right of the Prime Minister to refuse to answer a question, but if he does give an answer it must be an answer that has the element of relevancy. I ask the Prime Minister now if he proposes to call this conference.

Mr. Diefenbaker: Mr. Speaker, I seem to remember that when the hon. member sat on this side of the house relevancy was not one of the attributes that characterized his answers. In so far as the direct question is concerned, may I state in a relevant manner that this question was asked on an earlier occasion, and the answer was given.

Mr. Martin (Essex East): And the answer was no.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, may I ask the Prime Minister a supplementary question. Following the precedent that he quoted with such approval, does he propose to wait 39 years before he calls a federal-provincial conference?

Inquiries of the Ministry

AIR TRANSPORT

AUSTRALIA—INQUIRY AS TO RENEWAL OF AGREEMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Secretary of State for External Affairs. Is it the intention of the government to renew the bilateral air agreement with the commonwealth of Australia, which I understand expires early next week?

Hon. Sidney E. Smith (Secretary of State for External Affairs): I thank the hon. member for Laurier for having given me notice of his intention to ask this question. The agreement to which he refers was to have expired next week but there has been an extension of one month, that is until March 11. Discussions with respect to the future of this agreement are now going on, and I am pleased to inform the house that the government is pressing for its continuance.

Mr. Chevrier: May I direct a supplementary question to the Prime Minister. Was this subject discussed by the Prime Minister when he was in Australia?

Right Hon. J. G. Diefenbaker (Prime Minister): In so far as discussions are concerned, when I was in Australia or elsewhere they were discussions between myself and the prime ministers of the various countries, and following the custom of this house I do not wish to make any statement regarding the course of those discussions.

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister merely if this was a subject of discussion when he was in Australia.

Mr. Chevrier: It is a very unacceptable answer.

Mr. Diefenbaker: Oh yes. I have no hesitation in saying that this is a matter that was discussed.

Mr. Chevrier: That is a different thing.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO INCLUSION OF FARM LABOURERS UNDER ACT

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Labour. Can the minister inform the house whether the government is giving consideration to bringing farm labourers under the Unemployment Insurance Act?

Inquiries of the Ministry

Hon. Michael Starr (Minister of Labour): Mr. Speaker, in reply to the hon. member's question I wish to advise him that the unemployment insurance commission has this matter under very active and accelerated study at the moment. Upon inquiry they have advised me that a recommendation will be available on this matter in approximately two or three months.

LABOUR CONDITIONS

TORONTO—REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I have another question I should like to direct to the Minister of Labour which also requires some acceleration. Will the minister consider extending the period of the municipal winter unemployment public works program from April 30 to May 30, as recommended by the metropolitan Toronto executive committee?

Hon. Michael Starr (Minister of Labour): Mr. Speaker in answer to this question may I say that in view of the response we have had from the provinces and the municipalities and the way the projects are now being submitted to the government for approval and are being approved, there is no reason at the moment to consider any extension.

FINANCE

MAIN ESTIMATES—REFERENCE TO PAYMENTS TO GRAIN PRODUCERS

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I wonder whether the Minister of Finance would indicate to the house why there was omitted from the estimates and his long explanatory statement thereon yesterday any reference to payments to western grain producers, either in renewal of the scheme now in force or by way of substitution of some improved scheme therefor.

Hon. Donald M. Fleming (Minister of Finance): Obviously that is a question for my hon. friend to raise in committee of supply when the estimates of the Department of Agriculture are under consideration. The estimates I tabled yesterday indicate the government's program as of this time.

NATIONAL MUSEUM

DR. ROUSSEAU—STATEMENT BY MINISTER ON PRESS REPORT

On the orders of the day:

Mr. J. N. Ormiston (Melville): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. In view of press reports respecting Dr. Rousseau I should like the minister to tell the house whether Dr. Rousseau was offered a position in another government department, and whether the minister ever refused to see Dr. Rousseau.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, I have seen the statement that is reported in the press as having been made by Dr. Rousseau. If the statement was made as quoted in the press it is inaccurate. I do not intend to deal with the inaccuracies in detail; I do not think any purpose would be served thereby. There are, however, two points that I should like to make very clear.

Dr. Rousseau is quoted in the press report as having said:

> Notwithstanding the statement attributed by the newspapers to Hon. Alvin Hamilton, Minister of Northern Affairs and National Resources, the Department of Agriculture has never offered me any position whatsoever.

Fortunately for the truth, Mr. Speaker, the offer of the position to Dr. Rousseau was made by my deputy minister in the presence of two witnesses, including a representative of the professional institute of the public service of Canada. It was also made in a letter dated January 20 from my deputy minister to Dr. Rousseau. The offer was a firm offer and was for 30 days. In view of the fact that a member of the civil service has taken this procedure of making a statement to the press, I am going to take the liberty of quoting from a letter from my deputy minister to Dr. Rousseau written on January 20, to which letter I have already referred. I am prepared to table the letter. The relevant portion is on page 3, and reads as follows:

> As I told you on December 15, the Department of Agriculture have available a senior scientific position in the field of botany that is available for you should you wish to accept it. It may be that there are other positions outside the public service that you would prefer to take. If not, I would strongly urge that you consider the position in the Department of Agriculture most seriously. It is purely scientific and would, I am sure, provide new opportunities of service in a field in which you are eminently qualified.
>
> The minister is quite prepared that you should have 30 days from today in which to consider this matter. If you do not choose to accept the position in the Department of Agriculture or any other that you think preferable I would appreciate it if you would submit your resignation at the end of 30 days. If you have not taken action in one way or the other during that time the minister will be faced with the unfortunate necessity of recommending your separation from the public service of Canada.

As I said in my statement the other day, the civil service commission of Canada has

been kept informed of all negotiations with Dr. Rousseau. The second point with which I should like to deal is found in this statement by Dr. Rousseau in the newspaper report:

> Notwithstanding the repeated requests I made to the minister's secretary for an interview with Mr. Hamilton, and in spite of the assurance given to me that the minister would take no decision whatsoever without having the opportunity to discuss the matter with me, no interview was ever granted.

The facts are that I told my deputy minister many weeks in advance of his interviews with Dr. Rousseau, and also instructed my private secretary who was present at the interview of January 20, to tell Dr. Rousseau that if he so requested I was available at any time to see him. Dr. Rousseau has at no time asked to see me either directly or through my deputy minister or through my personal office. The assurance was given to Dr. Rousseau that all the known relevant facts would be weighed by the minister before arriving at a decision. This, Mr. Speaker, has been done.

Mr. G. J. McIlraith (Ottawa West): I should like to ask the minister if he would explain to the house by what right the deputy minister of northern affairs could offer to this man a position in another department, presumably a position that comes under the jurisdiction of the civil service commission?

Mr. Hamilton (Qu'Appelle): This matter was taken up with the civil service commission of Canada. It is a customary procedure which they have followed on occasions, on the basis of which they offer to make an adjustment in staff personnel. This was done in accordance with a proposal raised by the civil service commission.

Mr. Hazen Argue (Assiniboia): I wonder if the minister could say what salary this scientific position in the Department of Agriculture carried and whether for Dr. Rousseau, had he accepted it, it would have meant a substantial reduction in salary?

Mr. Hamilton (Qu'Appelle): If my memory serves me correctly the salary offered was $9,340 for the scientific position in the Department of Agriculture. His present salary is $11,000.

(Translation):

AGRICULTURE

POULTRY—REPORTED REQUEST FOR BAN ON IMPORTS FROM U.S.

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. I apologize for not giving him notice of it, but I am sure he will hardly have any trouble answering it.

Has the minister received any requests from poultry producers and poultry associations in the province of Quebec, that steps be taken to prevent the sale on the Canadian market of poultry meat from the United States? If he has, does he intend to grant their requests?

(Text):

Hon. D. S. Harkness (Minister of Agriculture): I am not entirely clear as to what the question was, Mr. Speaker, but I understood it to be whether I had received requests from the poultry producers to prevent the importation of United States poultry, and if so what was the reply. I have received requests of this kind quite regularly, and my reply has been that we do not consider it desirable, in the interests of good trading relations with the United States, to impose an import ban on United States broilers and chickens coming into this country.

(Translation):

Mr. Boulanger: Is the hon. minister aware that, in the province of Quebec, poultry is selling 5 or 6 cents below the cost price, i.e. 16 to 17 cents a pound, while the price of broilers is estimated at 21 cents a pound?

(Text):

Mr. Harkness: I should like to make it clear to the hon. member and to the house, as I have to the poultry producers associations for the past several months, that the decline in the price of broiler chickens, which is the biggest item, is due almost entirely to the very large increase in production which has taken place in Canada. The total production in Canada has gone up from 1953 to the present time from something in the neighbourhood of 30 million pounds to about 180 million pounds last year. The trouble has been that production has been greater than demand, and that is almost entirely the reason for the decrease in the price of broiler chickens. Imports from the United States, in comparison, have been around 5 million to 6 million pounds during the last year. Thus it is quite apparent the importations are not sufficiently large to have had any material effect on the price of chickens in Canada.

THE CANADIAN ECONOMY

ROYAL COMMISSION ON ENERGY—INQUIRY AS TO RESUMPTION OF SITTINGS IN ATLANTIC PROVINCES

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Is the Prime Minister in a position to answer the

question I asked him yesterday with reference to the sittings of the Borden commission in the Atlantic provinces?

Right Hon. J. G. Diefenbaker (Prime Minister): I am sorry, but I am not as yet. I have not had a reply from the Borden commission.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

699. Prairie Farm Assistance Act administration—further amount required, $225,000.

Mr. Argue: Would the minister give an explanation for this particular vote?

Mr. Harkness: The necessity for this vote arises, Mr. Chairman, from the fact that this year there was widespread drought throughout the prairie provinces and as a result a very large number of applications for inspections throughout the townships across the entire west. The estimate for administrative costs of the Prairie Farm Assistance Act is made each year on the basis of the average cost in years past, particularly in the immediately past years. If you have a heavy inspection program as a result of adverse weather conditions it means that your administrative costs are considerably greater than the amount estimated.

This was the case in this particular year. A great many more inspections had to be made and there was a great deal more travelling to be done than had been the case in the two or three years previous. This amount of money is required to cover the costs of these extra inspections and the travelling expenses of the inspectors.

Mr. Argue: I am pleased to support this vote. I have often said in the past, and I repeat, that I think the Prairie Farm Assistance Act has been of great benefit to western Canada. I believe that over the years this act has been amended from time to time in such a way as to generally improve its administration and the benefits provided under the act, and to make it at least somewhat more certain that farmers who in fact suffer crop failure are able to obtain payments.

Before the amendments were introduced into this act during the last session I had a very large number of complaints about its administration and the difficulty of getting payments. I want to tell the minister, in fairness, that the amendments made last year have reduced the number of complaints very substantially. I think the amendments have been in the right direction. The minister will recall that over the years when he and I sat almost together on this side of the house, both the Conservative party and the C.C.F. party put forward the idea that in so far as practicable payments should be made on an individual basis so that when a farmer has a crop failure he obtains payment. This objective has not been reached, and it may be a very long time before it is reached. Certainly, however, with one or two exceptions some years ago about which we had many long and heated arguments, the general direction has been to make it easier for farmers to qualify.

I should like, in just a very few sentences, to say that I think the government should consider an expansion of this act. It is not something new that I say today, but something I have been saying for some considerable length of time. I feel that in relation to the purchasing power of the dollar and in relation to the cost of farming, it is very essential that the benefits under this act be increased. We have had arguments in this house on other occasions about several matters.

I am not going to refer to that matter in such a way as to be ruled out of order. However, we have had arguments to the effect that certain other action, namely the $1 an acre payment, was being taken on that basis in order to make certain that farmers who had marketed little grain in past years would receive at least that minimum benefit as compared to what might be received if the deficiency program had been adopted.

I suggest that this is the kind of measure, Mr. Chairman, that should be used and should be expanded in order to make certain that farmers who have a crop failure receive the benefits that come from the national treasury. If it is the general purpose of the government, in supplementing agricultural income, to do so in such a way as to help the small farmers, the farmers who have been unfortunate enough to have crop failures, then this is the act that is designed to do that very thing and it is not designed to be done in some other act to that extent.

I should like to see the benefits under this act increased, as I said last session, to at least $10 per acre from the maximum of $4 per acre. Ten dollars per acre, if paid on the same basis as at present, is not a fabulous sum of money in relation to the cost of doing business and in relation to the cost of farming. One of the first reports I studied when I came to this house in 1945 was a submission which was made by the late R. E. Motherwell on the whole question of prairie farm assistance and the whole field of crop insurance. While many studies have been made since

that time I nevertheless believe that from the studies made by Mr. Motherwell during that time one can learn a great deal as to the problems that are involved in a prairie farm assistance scheme and those that may be involved in a crop insurance scheme. There may be some areas of Canada and some crops to which crop insurance is particularly adaptable. A crop insurance scheme perhaps has a different meaning to different people. But if a crop insurance scheme should attempt to be actuarially sound on the basis that each farmer and each farm shall pay into the scheme over a long period of years enough money to cover all of the benefits that are paid out, on that basis the crop insurance plan will be too expensive for the people who need it most. In the high risk areas the premiums would be exorbitant. I want to say that in the working out of any crop insurance plan—

Mr. Harkness: Oh, oh.

Mr. Fleming (Eglinton): This is out of order, Mr. Chairman.

Mr. Argue: I will not wait, Mr. Chairman, until you rise. I will attempt to keep my remarks confined to this subject. As I said initially, there are in this plan some important features that I think should be retained in any plan that is adopted by parliament. One of them is universal coverage, where everyone is covered in this huge area and everyone has a chance to benefit if he has a crop failure. Another thing I like about prairie farm assistance is that under the act universal payments are made by all agricultural producers. Another feature of prairie farm assistance that has always appealed to me is the fact that it is a federal plan affecting three provinces. It does not say, generally speaking, to agricultural producers within one province as compared to those in another, "You have had more crop failures than other areas; therefore it will be necessary for you to pay more," or in other words that they should attempt to lift themselves by their own boot straps. I am saying to the minister that any scheme that is brought forward either to supplement or to replace the act—and I do not think there is any suggestion from any hon. member that this act be replaced—should not penalize either the farmers who live in the high risk areas or the people, including farmers, who live in a province that is a higher risk province than some others.

I believe it would be a good thing if the Minister of Agriculture would call into conference the representatives of the Canadian Federation of Agriculture, the representatives of the farmers union, the representatives of the wheat pools and, if the government felt it was advisable, the representatives of the departments of agriculture of the various provinces in order to see how this present act could be expanded as to benefits and as to premiums and deductions so it could more nearly meet the heavy expenses that farmers incur when they have a crop failure.

As I have said, we feel that the benefits should be increased. We believe that if the benefits were substantially increased, agricultural producers would be prepared to have an increase made in the deductions at the elevator. This is an act that has the support of farm organizations and farmers generally. Any move the Minister of Agriculture may make to improve this act, either in respect of administration or in respect of the benefits that are paid thereunder, will receive the support of the people of the prairie provinces.

Mr. Harkness: I should like to say a word or two in connection with the comments which have just been made, Mr. Chairman. First of all I should like to thank the hon. member for stating that his experience has been that the number of complaints in connection with this act have practically disappeared as a result of the amendments we brought in last year.

Mr. Argue: I did not say that.

Mr. Harkness: I will say that. As a matter of fact the number of complaints we have had in my office this year has been almost negligible. I think you could count them on one hand. Last year and the year previous they came in literally by the hundreds and even by the thousands. I think that is the measure of the improvement made by last year's amendments with regard to removing causes for dissatisfaction on the part of the farmers in western Canada.

I do not think we should get into a discussion of crop insurance on this item. The hon. member started to talk about crop insurance but I am not going to do that. I should like to remind him and any other hon. members who may be wanting to talk about crop insurance that it was indicated in the speech from the throne that we were bringing in legislation on that subject this year. I think discussion of that matter should wait until that time, or at least until the general discussion on the estimates of the Department of Agriculture, rather than be started here.

I might also say that this year it is estimated that payments from the emergency fund or in other words payments to farmers under the Prairie Farm Assistance Act will run to

better than $20 million. In other words an extensive program and extensive payments are in progress this year. I may also say that the payments made up to date are ahead of those made in any similar period in the last five years. Up to January 31, $8,447,725 had already been paid out. As to the remainder of the $20 million or a little better, the cheques are going out rapidly at the present time.

Mr. Argue: I have a small supplementary question. Can the minister refresh our memories as to the cost of prairie farm assistance as contemplated last summer when the crops looked bad? If my memory serves me correctly, and I am not saying that it does, I think the original estimate was that the cost might be as much as twice this amount.

The point I would like to make is this, that with the very substantial recovery of the prairie crop last summer even with the amendments of last year, which were in the direction of increasing the number of farmers who could obtain benefits, the amount of money which the government at one point anticipated would be necessary because the crop looked very bad was substantially reduced.

Mr. Harkness: Mr. Chairman, if I may say so I think that is self apparent. If the crop improved the estimate of the amount we would have to put up would naturally be reduced. At one time we were estimating that payments would run between $30 million and $35 million, but now we estimate they will run to just about $20 million.

Mr. Fane: Mr. Chairman, I feel that this discussion would not be complete without some words from the constituency of Vegreville. Over the years we have had great difficulty with the Prairie Farm Assistance Act as it was. There was a great deal of dissatisfaction with the act as it was before the amendments were passed last year. In fact I owe that act a great debt of gratitude, because it was mainly on account of the difficulties experienced with the former prairies farm assistance act that I am here today. When I came down last session I had received some 400 separate complaints about the 1957 prairie farm assistance awards. Those were practically all looked after, to such an extent that a month ago I got payment for one section which had not been paid for in 1957. That was on account of an error in the office which was making out the various township maps. This year I have not had any more than a dozen complaints, and those complaints amounted more or less to inquiries.

There are still a few things that could be done to the Prairie Farm Assistance Act to improve it, if it is to remain effective, and if it is not to be entirely superseded by crop insurance, which we may not discuss. One of the things that is not taken into account is the vagaries of rainfall and weather in our western country. It is an unfortunate thing that rain does not fall in square blocks. It does not fall in rectangular blocks, and it does not fall in blocks of twelve sections. It is, as I say, a very, very indeterminable and questionable area that lacks rainfall and consequently lacks crops. In my constituency there are areas of three or four sections which did not get rain, consequently they were not eligible under the act because they joined another block which got rain.

Just as an example, several years ago prairie farm assistance was paid in the area in which I farm. I had a very good crop. Rain fell on July 1 that just covered my farm. I produced 44 bushels of wheat to the acre that year, which even in the district in which I live is only part of a crop. I received through the Prairie Farm Assistance Act that year something in the amount of $300, because my neighbours did not get that rain. Now I would be cut out, as I have been ever since that time. But the main thing is that the act, as amended last year, has caused a great deal of satisfaction. It has caused prairie farm assistance to be distributed in a much more satisfactory manner, and consequently it is much more beneficial. Should this crop insurance plan for any reason not materialize, I certainly hope the Prairie Farm Assistance Act can be amended in the manner I have suggested. Then it would become almost a small crop insurance plan. I would have liked to say a few words about how much the $1 an acre bonus was appreciated, but I may not go into that.

Mr. Smallwood: Mr. Chairman, I would like to say a few words about these estimates. I have had a great deal of experience with the Prairie Farm Assistance Act brought in under the Liberal government but it never proved to be administered in a satisfactory way. They did not seem to take it seriously enough, or to amend the act so the farmers of western Canada would get proper payment under it. Last year western members spent a great deal of time in trying to amend this act, and I felt that we did a very good job in connection with it. I can quite appreciate the little speech today of the hon. member for Assiniboia, because he missed out and was not able to deal with those amendments—

Mr. Argue: Oh, no.

Mr. Smallwood: Well, if the hon. member will consult the record he will find that the amendments went through the house on that day.

Mr. Argue: I wonder if I might tell the hon. member that I was ill when these amendments were before the house, and that is why I missed them.

Mr. Smallwood: I would like to go back to February 3. Hon. members will remember that the hon. member for Assiniboia referred to us as a bunch of little mice. Well, Mr. Speaker, I would like to remind you that those little mice had a big piece of cheese to nibble away at, and we were certainly getting the worms out of that act.

Mr. Pickersgill: Were you nibbling at the worms?

Mr. Smallwood: No, they were not squirming enough for that. While these so-called mice were working on this act the Saskatchewan tom cat was running around the country howling.

Mr. Argue: Debate on a high level.

Mr. Smallwood: The hon. member for Assiniboia should give these little mice a great deal of credit for this act, because I am sure that his constituency will appreciate what we have done through these amendments. This act today is as much on an individual basis as it can possibly be.

I would like at this time to congratulate the Minister of Agriculture for the co-operation he has shown through the introduction of the amendments to this act, and I can assure you that there are several constituencies which have not had one complaint this year regarding the act as it stands today.

It did take a little more money for administration, but that was no fault of ours, because a great deal of inspection had to be carried out. I feel the expenditure of this extra sum of money was very necessary in order to carry out the provisions of this act.

Mr. Muir (Lisgar): I should like to ask the Minister of Agriculture to give us a breakdown by provinces of the amount paid in levies by the farmers and the amounts received in prairie farm assistance payments since the inception of the act.

Mr. Harkness: These figures are to be found in detail in the report of the Prairie Farm Assistance Act for the crop year 1957-58. The information is contained on the last two pages. This report is available to all hon. members, so I will not go into detail with regard to them. I will just give the total figures. From the inception of the act in 1939, and including the crop year 1957-58, the amount of the 1 per cent levy collected in the three prairie provinces was as follows: Manitoba, $16 million; Saskatchewan, $60,800,000; Alberta, $30,426,000, making a total of $107,311,000. The payments out under the act to the three provinces for the same period were as follows: Manitoba, $13,943,000; Saskatchewan, $138,755,000; Alberta, $50,755,000. The total of these payments amounts to $204,353,000. There were some small payments in British Columbia which I have not included.

Mr. Muir (Lisgar): I ask this question because I should like to point out to hon. members that Manitoba is the only province which has received less than it has contributed. Our province is as you know, Mr. Chairman, known as the sure crop province. In round figures we paid in $16 million and we took out $13,900,000. Saskatchewan took out $138,700,000 and paid in $60 million; Alberta took out $50,700,000 where they had paid in $30 million.

I think it can be seen from these figures that the setting up of the Prairie Farm Assistance Act has helped out the wheat area in Saskatchewan to a greater extent than it has assisted the other two provinces. I wanted to point this out because while it is possible that crop insurance would not work out in some areas, I believe it would work out very well in Manitoba where premiums would not be too high and where the payments received would be more in keeping with what was contributed.

Mr. Kindt: I should like to ask the Minister of Agriculture a question more for the sake of clarification than anything else. The minister has mentioned $20 million. May I ask if that sum is the amount paid out of the federal treasury to supplement the levy of 1 per cent?

Mr. Harkness: That $20 million will consist of the 1 per cent levy collected plus the contribution from the consolidated revenue fund, that is from the dominion treasury. What the amount paid by the treasury will be this year we do not know, because grain deliveries have not all been made. However, the major portion of that payment of $20 million will come from the consolidated revenue fund. The complete breakdown, with regard to past years, is as I gave before; $204 million has been paid out and $107 million collected. In other words approximately half the money paid out from the beginning of the operation of the act up to the present time has come from general revenues and the other half has been collected by means of the 1 per cent levy.

Mr. Horner (Acadia): Mr. Chairman, in rising to speak on this item I should first of all like to congratulate the Minister of Agriculture on the hard work and effort he has put in, along with the rest of the western members, to amend this act. I think this work has been very satisfactory, and I gather from what has been said here today by hon. members that there have been very few complaints about the act as amended.

I should like, if I may, to comment on what was said by the hon. member for Assiniboia with regard to payments under P.F.A.A. The hon. member said, it will be recalled, that he would like to see up to $10 an acre paid on a 600-acre basis. This, I should say, would give up to $3,000 a year to a farmer with 600 acres, and I should like to go on record as stating that in my constituency—and I think I am correct in saying there is more P.F.A.A. assistance paid there than in any other constituency in Alberta—I have received no complaints whatever with regard to the maximum payment which has been decided on. I feel that if payments were made up to a limit of $3,000 it would have a very detrimental effect on the advancement of the agricultural industry, and that it would have a detrimental effect on farming in general and be harmful to the over-all efficiency of farming which today is the most important thing about farming.

(Translation):

Mr. Boulanger: Mr. Chairman, may I say a few words about this $225,000 increase in the Prairie Farm Assistance Act. I note that members from western Canada have been commending the government. I do not blame them. However, I should like to express the views of eastern farmers.

The member for Lisgar (Mr. Muir), who has just resumed his seat, suggested that Manitoba has not benefited from this legislation to the same extent as the others. I would point out that in the province of Quebec, it has not done us any good, because it does not apply. I realize that the act cannot now be amended for the benefit of eastern farmers. I would point out to the minister, however, that in the budget debate this item will come up, and we shall then have an opportunity to go into it more thoroughly. Nevertheless, I wish to say to the minister that eastern farmers are just as interested as western farmers in sharing the benefits of this legislation, which we endorse.

I have no objection to this increase, and if the minister will agree to consider the case of eastern farmers, he can count on our help during the forthcoming debate on the budget. We shall then make known the needs of eastern farmers.

(Text):

Mr. Argue: It has been pointed out that I have advocated that the maximum payment under this act be increased from $4 to $10 an acre. Of course the $4 an acre payment is made only when the average yields are less than 3 bushels per acre, which in the general history of western Canada, as far as the total area is concerned, seldom happens. But in a year of catastrophe so far as the individual farmer is concerned, with a yield of 3 bushels an acre or less. I feel a payment of $10 an acre is not out of line. If the acreage on which this is paid were increased from 400 to 600 that naturally would bring a maximum payment of $3,000 in a year of total crop failure, and less in a period of partial crop failure of 3 to 5 bushels for the middle category or 5 to 8 bushels for the higher category.

Although I represent generally an agricultural riding I firmly believe that the Unemployment Insurance Act is an excellent piece of legislation and serves a useful purpose in Canada. Certainly we in this group shall be supporting increases in payments under that act. We have advocated this for many years. In fairness, and to keep things in perspective, it should be pointed out that payments are made at the rate of $33 a week, which on the basis of 52 weeks represents a payment of $1,760 a year.

Mr. Fleming (Eglinton): Order. This item is not for unemployment insurance.

Mr. Argue: Well, Mr. Chairman, prairie farm assistance if increased in the way I have suggested would bring some farmers in extraordinary years the sum of $3,000. It should be pointed out that this is not net income. Out of the $3,000 would have to be paid the very high costs of grain operations on a farm of maximum size. I would think that relative to the Unemployment Insurance Act my suggestion would bring prairie farm assistance somewhat in line with the benefits paid under that act. I want to make it crystal clear that what I have said should in no way be taken as a criticism of the benefits paid under the Unemployment Insurance Act. I believe that act should also be extended and improved.

I want to comment briefly on the statement that farmers in Manitoba have paid more into the act over the years than they have received out of it by way of benefits. That of course is perfectly true, and if one wished he could divide up the payments on the basis of municipalities or regions and make any kind of computation he desired. The operation of the Prairie Farm Assistance Act is not based

on provincial boundaries but is designed to do a job for western Canada. One of the reasons the former minister of agriculture, Mr. Gardiner, used to vigorously advance the principle of this act, even though it provided frequently recurring payments in certain areas, was that the national agricultural policy of the federal government in years gone by settled people in the Palliser triangle, and once that was done the federal government had a responsibility to the producers in that area in times of crop failure. We in this group have always supported that principle as has, I believe, the present Minister of Agriculture.

In conversation with expert agriculturists from the prairie provinces I have discussed the possibility of having grain graded on the basis of protein content. The low yield areas over the years have generally experienced crops with a better protein content. The answer given to me was that farmers who produce the higher protein wheat are generally in the areas of crop failure and receive additional consideration under this act. Therefore, while it is true that certain farmers in specific regions have paid more into this act than they have obtained by way of benefits over the years, nevertheless as far as the value of wheat is concerned when the wheat is sold on the basis of protein content the situation is exactly reversed, and it has been suggested to me that some rough sort of justice obtains. As a result of the case being presented to me in this light I have been somewhat less active, shall I say, in championing the grading of wheat on the protein content basis, although I understand that active studies have been under way in recent years.

The point I wish to make is that the act was not drafted on the basis of provincial boundaries, and that federal governments in the past have taken the position that because national policy settled farmers in the Palliser triangle there was some responsibility on the part of the federal government and some is accepted in this act to protect the farmers' income during periods of crop failure.

Mr. Harkness: Mr. Chairman, I feel I should remind the hon. member and other hon. members of the committee that the Prairie Farm Assistance Act is not a crop insurance scheme, and it is therefore not correct to compare it to a system of crop insurance or to the Unemployment Insurance Act. The very name of the act indicates the function it fulfils. It was initially put into effect purely as a drought relief measure. Assistance under the act has also been extended to certain other forms of crop loss such as loss due to hail, flooding and grasshopper damage. Essentially this act remains a drought relief measure. It is not a system of crop insurance and it is futile to consider the principles underlying a system of crop insurance or the Unemployment Insurance Act in relation to the Prairie Farm Assistance Act.

I should also point out that the hon. member for Acadia was correct in stating that to increase payments to $10 an acre would not be wise. His riding is in one of the driest parts of Alberta, as is indicated by the fact that P.F.A.A. payments are always very extensive there whenever there is a year in which they are made.

I believe to increase the payments under the act to $10 an acre would result in a great deal of damage as far as conservation of the soil is concerned. To increase the payments would immediately cause a lot of land which should not be under the plough to be cultivated. Farmers would drill a crop into it and collect $10 an acre not caring whether or not they harvested anything. It would encourage poor methods of cultivation and other malpractices. To increase the payment would undoubtedly do a great deal of damage to our soil resources in western Canada. It would cause to be brought under cultivation land which should be left in grass, and this would be one of the most retrograde steps that could be taken.

Item agreed to.

BOARD OF BROADCAST GOVERNORS

700. Salaries and expenses of the board, $72,000.

Mr. Benidickson: Mr. Chairman, I want to say a word or two about this item. This is not a large vote, but I notice it includes not only salaries for the new board but expenses as well, and I wonder if the minister would give us a breakdown of the amounts for salaries and expenses. I raise this question because I believe the new board has held its first public sittings within recent days.

People in the industry have indicated to me that they were rather surprised to find that the board is conducting its hearings with respect to applications in rather a new fashion, which I feel perhaps should be examined by the minister concerned. I am told that in the past when applications were heard by the C.B.C. board of governors it was most unusual to have questions from the board put through the voice of an official counsel, and similarly it was not usual for an applicant to feel obliged to attend with his solicitor.

I do not want to let down the profession of the Minister of Finance and myself. I can appreciate that a licensed station owner asked to appear before the board with respect to his public service conduct or some other

breach of his obligations might wish to engage legal counsel. But when it is in connection with an application for a new licence I should think the public interest would be better served if the members of the board themselves did the questioning and heard directly from the actual person going to conduct the operation rather than listening to his counsel.

I simply draw that to the attention of the minister. The item refers to salaries and expenses, and I am wondering whether provision is being made for legal counsel, something that I believe was very rarely employed under the former procedure.

With respect to engineering and professional advice concerning electronics and other technical matters, upon whom will the new board rely? Will they rely solely on the officials of the Department of Transport or will they be relying, as the former board did, upon advice from the engineering people in the C.B.C., or will the board be hiring new technical and professional people to assist them in matters of this kind?

Mr. Fleming (Eglinton): Mr. Chairman, the item under discussion, No. 700, is to provide for the salaries and expenses of the members of the board from November 20, 1958, to March 31 next, the end of the fiscal year. It covers the salaries of the full-time members of the board, of whom there are three, and in the case of the other members of the board their per diem allowances and travelling and other expenses in attending meetings.

So far as salaries are concerned, the appropriation is to provide for the salaries of 13 members of the staff subject always, of course, to the approval of the establishment by treasury board. The item also covers such things as supplies, equipment and office rental.

My hon. friend asked questions about the method of conducting the hearings and about the use of technical advisers. So far as the method of conducting hearings is concerned, I think that is a matter for the board itself to determine in the light of its responsibilities. I understand some view was expressed that in the case of applicants the board wished in some cases to hear directly from the applicant, but I have no reason to think there is any wish on the part of the board to tell applicants that they should not seek the services of counsel if they choose to do so.

Mr. Benidickson: It is the other way around. I think the board itself has set a new pattern in conducting the questioning through counsel rather than the board doing so directly.

Mr. Fleming (Eglinton): As to the board's conduct in questioning applicants I take it that is a matter for decision on the part of the board as to what is the most effective way of adducing the information. The size of the board might indicate that it would be more effective and expeditious to have the questioning conducted through one person, an experienced counsel, rather than having questioning proceed in what might otherwise be a rather sporadic fashion from a number of interested members of the board.

With respect to the last question put by my hon. friend having to do with the use of technical personnel, of course the services of the technical personnel in the Department of Transport will be available for the use and assistance of the board as it may require.

Item agreed to.

CANADIAN BROADCASTING CORPORATION

701. Grant towards the anticipated operating deficit of the radio and television services—further amount required, $2,193,552.

Mr. Chevrier: Mr. Chairman, item 701 deals with a grant toward the anticipated operating deficit of the radio and television services of the Canadian Broadcasting Corporation. The remarks I intend to make will be directed exclusively and objectively, I hope, to the operating deficit and the operations of the Canadian Broadcasting Corporation. I should like to deal with the present dispute now engaging the attention of the producers and the C.B.C. I shall do so, I hope, realizing that the parties are now negotiating with each other. But I would point out that I would feel much more satisfied if the Minister of National Revenue and the Minister of Labour were in their seats. After all, this is a matter which affects the Minister of National Revenue and he should be present, as should the Minister of Labour.

Mr. Fleming (Eglinton): The Minister of National Revenue, who is the spokesman for the Canadian Broadcasting Corporation in the house, is on his way down to the chamber now.

Mr. Chevrier: Thank you.

Mr. Fleming (Eglinton): Would my hon. friend like to know how this estimate arises?

Mr. Chevrier: No.

Mr. Fleming (Eglinton): It may not affect what he wishes to say, but this item comes before us for a very simple reason.

Mr. Chevrier: I would rather be allowed to continue my remarks in the manner in which I had intended to make them. If I should be out of order the chairman will call me to order, but I shall do my utmost to stick to the item before the committee.

As I said earlier, the parties to the dispute are now negotiating their differences and that is all to the good. I commend those who are responsible for bringing these people together. So far as we on this side of the house are concerned, they have our very best wishes that they will be able to bring the dispute to a satisfactory conclusion as quickly as possible. No one will be happier than I if such is the case, because I am sure that no one, whether on this side of the house or on the other side, is anxious to see any group of individuals suffer because of a difficulty such as the one which has arisen.

But in dealing with this matter objectively it strikes me that there are some things that the minister responsible for the Canadian Broadcasting Corporation and its operations should take into account. There are the long term and short term effects of any dispute, whether this one or another one that may take place involving the Canadian Broadcasting Corporation and its producers or other employees. Of course, as I said a moment ago, it is unfortunate that 1,300 people, together with the producers, should have been out of work for almost 39 days. However, that is something which has taken place and there is nothing that can be done about it at the moment save and except to continue the efforts that are being made at present to bring about conciliation of the dispute.

But because of the nature of the operations of the corporation there are long term effects of such a dispute and the long term effects I have in mind relate to the future of the French network of the Canadian Broadcasting Corporation. I am sure I do not have to convince you, Mr. Chairman, that the group of people who are responsible for having established the French network have done a magnificent job. If tribute is to be given to the C.B.C. by all means let them have it, but credit must be given to these producers who are responsible in no small measure for creating the interest they have thus far in the kind of programs that have been seen on the French television network.

I am not an artist, and I do not pretend to know what are the exigencies of the technical side of the programs. I believe, however, I can appreciate whether or not a program is good. I have been told and retold that these producers not only compare with their brothers in the rest of Canada but are far superior to those in Paris. The productions they have been staging on the French network are, in fact, far superior to the programs which are produced in Paris.

Now, that is going quite a long way. This information comes to me from very reliable sources. Those of us who have watched the programs can well believe that is the case. Well, if it is the case, as I have every reason to believe it is, then I think the greatest care should be taken in the future, as at the present time, to see that the talent of those producers is not lost and that its benefits are given to Canada.

Dealing still with the operations of the C.B.C., there is one thing which I think has been entirely forgotten in so far as this dispute is concerned, and that is that it is not regional; it is not a local matter. It is a national matter. It is of national importance that there should be adequate service for the French television network. It is a matter, I am sure, of importance to the English speaking Canadians who are interested in bicultural Canadianism for Canada that the best possible kind of programs be available for the French network.

Having said that, I am sure the house will accept what I am saying in the spirit in which it is given, namely that here is a group of people who have done their utmost to bring about productions which are second to none in their field, and that every effort should be made to bring about a settlement of this unfortunate dispute at the earliest possible moment. I say again that I welcome the efforts that have been made thus far to bring this matter to a successful conclusion. I trust and hope that those who are responsible for having brought the parties together will be successful in their endeavours to negotiate a satisfactory settlement of this dispute.

(Translation):

Mr. Pigeon: Mr. Chairman, I believe it is a responsibility of the people's representatives to seek information on C.B.C. expenditures.

In its report to the government for the fiscal year ending in March 1958, the C.B.C. says:

> The corporation has achieved in five and a half years the speediest expansion of T.V. services of all countries of the world.

I am happy to notice this achievement, but it has cost a great deal to the taxpayers. For instance, during the fiscal year 1957-58 the C.B.C. has received from the treasury, by way of subsidies and other special revenues, like excise tax on television and radio sets and parts, a total of $41,177,181. This amount was paid by the people.

It is more than the Canadian National Railways' deficit for the year 1957-58.

Not only did the C.B.C. spend that amount of more than $41 million provided by the public treasury, but it also spent $32 million more: $28 million in revenue from commercial advertising, plus a deficit of close to $5

million, in spite of the money it had received from the treasury and of the considerable amounts it had drawn.

This is disturbing, enough so to make us wonder if we are not allowing the C.B.C. to do more than it should or, perhaps, if we are not permitting it to indulge in extravagance or wild ambitions.

I wonder, for instance, if the corporation, which runs into heavy deficits and dips into the public treasury at a rate of $40 million a year, should incur such heavy expenditures as those required to send reporters to the Riviera to interview people like Mr. Robert Service and Mr. Somerset Maugham. We also wonder if the C.B.C. should be spending thousands on half-hour programs that the public could well do without, interesting as some of them may be on occasion.

The C.B.C. is costing a great deal to the taxpayers, and gives its personnel a raw deal, judging from the enthusiastic support given the striking producers by performers, stage-hands and other employees. It is a duty of the people's representatives to keep an eye on C.B.C. expenditures.

(Text):

Mr. Martin (Timmins): I should like to deal with the subject which has been dealt with by the hon. member for Laurier, though I intend to deal with a slightly different aspect of this problem. Before I commence my remarks on that subject, I should like to make a comment on the remarks made by the hon. member for Joliette-L'Assomption-Montcalm. He has pointed out what he deems to be the extravagance of the Canadian people in supporting the C.B.C. I want to point out that the Canadian people do not support only the C.B.C., but in addition they support all the private radio and television stations across this country. The money to cover the cost of these stations comes from the people of Canada and from no one else, whether it comes as a few cents on your tax bill at the end of the year or whether it comes as an extra 5 cents on your cake of soap. I think our contribution toward the C.B.C. is one which is worth while for the Canadian people. In this way the Canadian government will at least have something to say about the programs that are presented to the Canadian people and prevent the C.B.C. being sold to Lux soap or some other such organization.

What concerns me about this particular estimate with which we are dealing, which is to cover the anticipated deficit of the C.B.C. this year, is that a portion of this anticipated deficit will have gone to fight this particular strike we have now.

Mr. Fleming (Eglinton): Does my hon. friend wish me to clear up that point now?

Mr. Martin (Timmins): At the conclusion of my remarks.

Mr. Fleming (Eglinton): It has nothing to do with it.

Mr. Martin (Timmins): I have here a copy of a pamphlet which runs to 13 pages and which is entitled "The History of the Dispute between Montreal television producers association and the Canadian Broadcasting Corporation". This pamphlet sets out the management's side of the problem. I do not know who produced it or where it was produced, but I assume that it was produced on C.B.C. time, that C.B.C. material was used, and so forth. I have also seen copies of the telegrams sent to the wives of the employees involved in the strike at Montreal. The cost of these must have run into a considerable sum.

It is unfortunate that we have a dispute such as we have now in Montreal, but the fact still remains that if we do have a fight it should be a fair one. One of the major complaints that has been brought to my attention by both the producers and the others who have supported them so strongly is that the C.B.C. has been given an opportunity of presenting its side of the case while the others have had to use whatever means were available to them. Let us remember that the C.B.C. costs are paid by the Canadian government and the money is raised by the Canadian people. Here we have a case in which something for which the Canadian people as a whole pay is being used by one side in a particular dispute. I feel that is something that should be given very careful consideration. The government are responsible for this matter. If things like this must happen, they should ensure that it should be fair for all the people concerned. It should be fair for the people who are now on strike and for the people who support that strike. They have just as big a stake in it as anyone else.

We have had many references to the legality and illegality of this thing. We find that our cabinet, along with many other people in Canada, cannot make up their minds as to the legal or the illegal aspects. I do not think the legality or illegality of the strike is really the most important aspect of this matter. We can remember the time a few years ago when child labour was legal in mines and so on in this and other countries. Today it is unheard of. It is not only illegal

today but it is also unthinkable. Laws change from time to time. I think the most important thing for this government to find out is not necessarily whether it is legal or illegal but whether it is right, just and fair. We may find things which are legal but which are not fair or just. That is the time when we change the laws in order to ensure that what is fair and just is legal as well.

We had one illustration of this sort of thing by the Minister of National Revenue in the house, I believe just last week. He gave the house the impression, which possibly he innocently had himself, that the picketers had been responsible for certain acts of violence. But the following day, on being questioned in the house, he admitted that he was not sure and that nobody knew just who was responsible for this thing. That is one illustration of the point I have been making. I think this government owes a deep responsibility, in connection with these disputes which arise in government departments, to let us know exactly or at least as closely as we can possibly find out who is right and who is wrong before we take any position or make any statements.

There is something else that all hon. members in this house should realize and look closely into, namely the situation itself. I am speaking particularly to the English speaking members representing English speaking areas of Canada. I do not think they have realized just how important and vital this matter is. I heard a newspaper reporter the other day discussing this situation. He brought out an extremely important point. He said that for English speaking Canadians to get a true and proper conception of this particular situation it would be necessary for us to have a situation in which Wayne and Shuster, Juliette and all the other top television stars in Canada as well as the top television stars in the United States which are carried on the English network in Canada, such as Ed Sullivan, Perry Como, and so on would be out on the picket line. He said that if they were out on the picket line it would mean exactly the same thing to English speaking Canadians as does the present situation to French speaking Canadians throughout Canada. I think that is something we have completely overlooked, namely the national importance of this dispute that has been going on.

I believe the government should have gone into it much sooner than they did. I should also like to convey my congratulations to whoever has been responsible for getting the parties together. That is the only way in which this dispute can ever be settled. As long as they are apart there will be no settlement. I also think this government owes a duty to make sure, first of all, what is right and what is wrong and then, if necessary, to have the necessary laws passed so that whatever is right may also be legal.

Mr. Fleming (Eglinton): Before any other hon. members speak under any misapprehension as to the reason this item comes before the house, Mr. Chairman, I think I should give a brief explanation with regard to it. As hon. members will recall, one of the sources of the revenues of the Canadian Broadcasting Corporation for some years has been the revenue yielded by the excise tax on receiving sets and tubes. When the operating budget of the Canadian Broadcasting Corporation was drawn up for the present fiscal year, namely 1958-59, it of course was based on the assumption that $12 million would be received from that excise tax which was earmarked for the sustenance of the operations of the Canadian Broadcasting Corporation. When the new broadcasting act was proclaimed in November, further receipts from the excise tax were cancelled. That was the effect of the act. Of the $12 million that had been provided in the estimates for 1958-59, the corporation had received $9,806,448. Consequently the present item of $2,193,552 is simply the amount remaining out of the original $12 million which was the anticipated yield from that excise tax.

The vote for this sum now becomes necessary to meet the operating requirements of the corporation to the end of the present fiscal year. It does not therefore represent, in the net result, any increase at all in the amount required to conduct the national broadcasting system of the Canadian Broadcasting Corporation. In a sense it is a revote, but it arises simply in the manner I have indicated, namely because of the repeal of what was a statutory provision directing that the yield from the excise tax should go automatically to the Canadian Broadcasting Corporation.

Therefore, Mr. Chairman, no additional vote whatever is involved here. Not an additional cent of taxpayers' money is being appropriated by this item to the support of the Canadian Broadcasting Corporation at all.

Mr. Nowlan: In fact it is a subtraction.

Mr. Fleming (Eglinton): It is simply in effect a revote.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

(Translation):

Mr. Denis: Mr. Chairman, while we are on this item, I feel it is my duty

to add a few words to what has already been said, in view of the current dispute between the C.B.C. and Montreal radio and T.V. producers. I am sure we all deplore that strike, and hope it will be settled just as soon as possible. However, I regret to note that among those who are attempting to settle the dispute, some are more or less active, or perhaps should I say more or less inactive, in achieving this purpose.

I do not believe that we, who are sitting on the side of the opposition, are open to criticism in this regard. Indeed, even some members on the government side thought it proper at the last minute to step in and work towards the settlement of the dispute. They have done so, no doubt after noting the inaction or confusion of the government which, I am convinced, would like the dispute to be settled but which, unfortunately and in my humble opinion, has failed to take the proper means of doing so.

Mr. Chairman, as stated this morning by the hon. member for Timmins (Mr. Martin), this is a national problem, a national emergency, affecting at least a third of our population.

I was reading in the papers, last week, that there are roughly 3 million T.V. sets in Canada, and I think I can safely say that a third of them are in French-Canadian homes. On the basis of an average of three or four listeners per home, it means that nearly four million French Canadians are affected by this strike, and would like to see it settled, because they are taxpayers, especially since the hon. member for Montmagny-L'Islet (Mr. Fortin) has mentioned that the province of Quebec is like any other province.

We all remember the railway strike that took place at the time when Right Hon. Louis St. Laurent was prime minister. Mr. St. Laurent had described it as a national emergency in the economic field. My feeling is that the present dispute is likewise a national emergency in the cultural field. As a matter of fact, I wonder what the hon. members who speak the other official language would think if, instead of a French network producers' strike, there was a strike on the English network.

The hon. member for Timmins referred to fine programs: Perry Como's, Ed. Sullivan's and others. The French-Canadian population also enjoys fine programs such as The Plouffe Family and others. It also likes to get the T.V. news, to hear talks and to watch such programs as Point de mire, Un homme et son peche, etc.

An hon. Member: And Seraphin!

Mr. Denis: Mr. Chairman, I think Seraphin would be a typical example of the present government. As a matter of fact, I would even say that the present government is behaving very much like Seraphin, in regard to the settlement of this emergency. We know that our friends opposite are always eager for suggestions. They want to run the country, but only in so far as we make suggestions to them.

One suggestion I can offer to the government as a means of settling this strike is to follow the example of the former prime minister, the Right Hon. Louis St. Laurent, who settled the railway strike to the satisfaction of all Canadians. That strike was that of an independent, autonomous corporation. But as it created an emergency affecting the majority of Canadians, as soon as the prime minister heard that a dispute was imminent, he wrote a letter to the parties involved, asking them to reach some agreement and showing the advantages and disadvantages of a possible strike. When the strike loomed closer and closer, the government offered to appoint a mediator, a suggestion which was accepted by the parties. Both sides then attempted until the last minute to reach a settlement. But when all its attempts at conciliation had failed, and when it realized that the strike was inevitable, the Liberal government of that time, conscious, as any government should be, of its responsibilities, called a session of parliament to put an end to this economic crisis.

Now what has the present government done so far? Since the house is now in session, there is no need to call a special session of Parliament. If the members of the cabinet, and hon. members opposite, had only studied the pros and cons of the dispute, they would have read the opinions of experts in such matters, such as Father Jacques Cousineau, S.J., a professor in the law faculty of the University of Montreal; Father Gerard Dion, director of industrial relations of Laval University; and Mr. Jean Rheal Cardin, director of industrial relations at the University of Montreal. They would have found that, in the opinion of those three experts, the only way to reach a settlement of this dispute is through arbitration.

I suggest that, to solve this national dispute, the government follow the procedure that was established at the very beginning

of the second 1950 session. I call it national because it affects a third of the population in the cultural field, and because the people involved in it run into the millions. I would also point out that the C.B.C., in addition to operating in the red at the present time, is losing money through failure to carry out its contracts with sponsors or advertisers. It should also be remembered that those who dare not or will not cross the picket lines are now out of work, and therefore are getting no pay and do not qualify for unemployment insurance.

Mr. Chairman, I hope this dispute will be settled as soon as possible, and I commend the parties who are now striving to reach an immediate settlement. I feel the government should consider the matter more fully than it has done so far, notwithstanding the claims of the Solicitor General (Mr. Balcer), and I urge the Minister of National Revenue to take advantage of the help offered by the Solicitor General if need be, or by any of their own members who, being faced as we are by the government's failure to act, have decided to do something on their own.

(Text):

Mr. Chevrier: Mr. Chairman, I would at once follow in the footsteps of my hon. friend, the member for St. Denis, who spoke very forcefully about the circumstances as we find them now. However, the house will excuse me if I turn to another aspect of this question, and it is one with which I am sure the minister is familiar. The item under discussion deals, of course, with the Canadian Broadcasting Corporation and the operating deficit, and the point I should like to make at the moment has to do with the present membership of the executive committee of the board of directors of the C.B.C. which was ultimately responsible for the action taken by the corporation in this unfortunate dispute.

When the new Broadcasting Act was discussed in this house not so long ago—I believe it was in August of last year—we on this side of the house intimated to the government that very careful consideration should be given to the qualifications of members of the two boards because if this were not done serious difficulties might arise in the future. Perhaps I might be allowed to put on record the question which was asked by the Leader of the Opposition and the reply which was given by the Minister of National Revenue. The question is taken from *Hansard* of August 25, at page 4097:

> Would anybody who owned shares in a press association or chain of newspapers also be disqualified by ownership of shares in that press chain from sitting on this board if that press chain or corporation also ran a broadcasting station?
>
> Mr. Nowlan: I am not prepared to give a legal opinion on such a set of facts. As my hon. friend knows, every set of facts varies slightly one from another. All lawyers know that. I think a person would be very reckless to attempt to give a legal opinion today which would be of no avail anyway because if this matter were dealt with administratively it would have to be dealt with by justice and if it went further it would have to be dealt with by the courts. But I would suggest to the Leader of the Opposition that the words "directly or indirectly, as owner, shareholder, director, officer, partner, or otherwise" are very broad and will preclude many people from taking a position on the board. There can be no question about that; I do not want to try to give a legal definition of the area as to who is going to be excluded and who is going to be included.

The hon. member for Bonavista-Twillingate interjected at this point to say this:

> But either the minister or some other minister or the Prime Minister is going to have to recommend certain names to the governor in council and the governor in council is going to have to appoint these people. Therefore it does seem to me that since parliament is being asked to make this enactment we should know precisely what this provision is supposed to mean. Would, for example, a shareholder in Canadian General Electric, which probably makes and sells parts of radio apparatus, be excluded or would somebody owning shares in Canadian Investment Fund, which might happen in turn to own some shares in Canadian General Electric, be thereby excluded? It seems to me that this is very vague and very far-reaching indeed and that perhaps it would be worth while to take another look at it for it might turn out that about the only people who will be eligible in the country will be farmers, fishermen and the unemployed.

I want to put on record one other quotation from the hon. member for Ottawa West, who made the following observation:

> What about people engaged in the distribution of radio apparatus? Chain stores distribute radio apparatus. Would this apply to employees of chain stores?

The matter which I seek to bring to the attention of the minister in the house is that at that time, in the course of the debate we on this side warned the government of the danger of not taking extreme care as to who might or might not be appointed and sworn in as members of the board of directors. We gave a warning having to do with the composition of these two boards, and now we have good reason to believe that at least one member of the board of directors of the C.B.C.—there may be others—does not meet the qualifications set out in section 22, paragraph 6. I should

like to read the appropriate part of section 22, which reads as follows:

> Every director shall, before entering upon his duties as such, take and subscribe, before the Clerk of the Privy Council, an oath in the following form:
>
> I do solemnly swear that I will faithfully, truly and impartially, to the best of my judgment, skill and ability execute and perform the office of director of the Canadian Broadcasting Corporation, and that, while I continue to hold such office, I will not, as owner, shareholder, director, officer, partner or otherwise, engage in the business of broadcasting or have any pecuniary or proprietary interest in a broadcasting station or in the manufacture or distribution of radio apparatus.

I should like to draw the attention of the minister to the last words, "distribution of radio apparatus". If we go back to the Radio Act, which I have before me here, we see that in section 2, subsection 1, there is a definition of radio apparatus which reads as follows:

> Radio apparatus means a reasonably complete and sufficient combination of distinct radio appliances intended for or capable of being used for radio electric communication whether for transmission or reception or both.

On the other hand, the word "distribution" as opposed to manufacture covers all levels of distribution, that is, retail as well as wholesale. Although I am told there is no formal definition of the word "distribution" in our statutes, that is the meaning which is generally accepted in practice. It is the definition which is applied, for example, by the combines investigation branch of the Department of Justice and by the restrictive trade practices commission. That commission has published several reports dealing with this subject. For instance, there is a report in my hand—and I quote—"concerning an alleged combine in the distribution and sale of gasoline at retail in the Vancouver area." This clearly indicates that distribution covers retailing, and this can only mean that anyone who is engaged in selling radio reception sets is not eligible to either of the broadcasting boards. However, my information is to the effect that one of the members of the board, who happens to be Mr. Raymond Dupuis of Montreal, is still president of Dupuis et Freres which is a large department store selling radio and television sets.

In spite of this, he was sworn in as a member of the board of directors of the C.B.C. on December 4, and at a meeting of that board in Montreal later on he was elected to be a member of the executive committee. Moreover, I am informed he was the only French speaking member of that committee from the province of Quebec to attend the meetings during the dispute, though he was not entitled to sit in that capacity.

In order that there may be no misunderstanding of my position, I want to make clear that as far as Mr. Raymond Dupuis himself is concerned I consider him as a friend of mine. I know him. He is a man of distinction and a man highly respected in Montreal business circles. He is not only successful but is known throughout Canada, and I would not want anything that I am saying here to be interpreted as impugning or attacking his personal character or reputation in any way whatsoever. What I am doing, and what I maintain I have a perfect right to do if the circumstances are as I have related them, is this: I submit that this matter has been badly handled, and I maintain that the government has been badly advised in inviting a person who is in this position to become a member of the board of directors.

I say this because we on this side of the house warned the government about the position last year. We warned the government with regard to this aspect of the legislation, as I have already made clear, and if the facts as I have related them are correct, this gentleman, estimable as he may be, has been placed in a highly irregular situation by the government and I think the government, through the minister responsible for the C.B.C., owes an explanation to the house with reference to this matter. I think he should take the first opportunity to report to the house whether or not these facts are correct. If they are not correct, then, of course, I shall desist immediately. I believe the minister should also report whether the executive committee of the Canadian Broadcasting Corporation would have taken an attitude different from that they have taken up until the time the negotiations were resumed with respect to the dispute if Mr. Dupuis had not been attending the meetings.

It seems to me that the government through the minister must make a clear and full statement about this matter because it could throw a new light on the position of the C.B.C. in regard to the dispute. I am sure the minister would understand that in raising the point I do so in a constructive rather than a destructive way because, if the facts as I have related them are so, then the situation is serious.

(Translation):

Mr. Rouleau: Mr. Chairman, we are being asked this afternoon to make $2,193,552 available to the C.B.C. It seems that in recent weeks the Minister of National Revenue (Mr. Nowlan) has sought to shirk his responsibility towards the C.B.C. And yet today he is asking the house to vote $2,193,552 to the C.B.C. which comes under

his jurisdiction. It is common knowledge that we of the Liberal party have always given the C.B.C. the funds required for its operation.

Before going any farther, I would like to pay tribute to the C.B.C. for having organized our French network from scratch and, in doing so I would like to refer to an article by Father Jacques Cousineau, which I read in the magazine *Relations* of February 1959, page 47, and I quote:

> The C.B.C.'s progress in the field of television has been amazing. To make CBFT in six years, the world's number one French television station, ranking with top U.S. and British stations, has called for a considerable effort which is all the more admirable because those in authority and chiefly responsible for this result are hardly 40 years old.

Mr. Chairman, if the C.B.C. has thus managed to build up our national French network in particular, it is mostly due to the teamwork which prevailed within C.B.C. Therefore I would again quote Father Jacques Cousineau who said, in the same issue of *Relations*:

> The collective effort achieved by the C.B.C. in Montreal since the end of the second world war constitutes the greatest cultural achievement in the history of French Canada;

If that result could be obtained, Mr. Chairman—as it was under C.B.C. management—it is due to thorough and intelligent teamwork. It was done under the direction of the C.B.C. board of governors, but also through the teamwork of management personnel.

The C.B.C. now employs 2,700 people, 500 of them in management; it has 800 clerks, 50 newswriters, 55 caretakers and cleaners, 93 members of the Société des Auteurs dramatiques, 800 members of the Union des Artistes, 650 stage and studio employees, together with 450 technicians and 85 producers.

It is all those people together, Mr. Chairman, who have made the C.B.C. and are keeping it alive. If the C.B.C. ranks first among French networks of the world, it is because of this teamwork.

In his short remarks before the adjournment, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) said that the C.B.C. was costing too much money. He referred to extravagance on the part of the C.B.C., to recorded programs, and to programs filmed on the Riviera. Among those programs filmed overseas, and particularly in France, he might have mentioned—and I do not know just what he had in mind—the magnificent film shown on the French C.B.C. network, showing the charming wife of the Prime Minister, Mrs. Diefenbaker visiting stores in Paris. I do feel that this is not what the hon. member for Joliette-L'Assomption-Montcalm had in mind.

He also referred, without actually identifying them, to other 30 minute programs which, he claims, constituted extravagance on the part of the C.B.C. Aware as I am of the views held by the hon. member for Joliette-L'Assomption-Montcalm about the C.B.C.,—for having heard them repeated here during the last session—I have a fair idea of what he had in mind. At this point, I would take the liberty of quoting what is probably his master's voice, words from an article by Mr. Robert Rumilly, in *Nouvelles Illustrées* for January 24, 1959:

> This strike is affording the government an opportunity to rectify its mistake by firing the person chiefly responsible (Alphonse Ouimet). In a matter of 24 hours, it would change the whole atmosphere of the organization. This sole execution would . . . be sufficient.
>
> This would be proper warning to the Liberal press washouts, the Liberal organization discards and misfits, the leftists of all kidney that have been crammed into this government organization.
>
> The strike also provides an opportunity to launch the indispensable investigation into C.B.C. wastefulness.

That is no doubt what the hon. member for Joliette-L'Assomption-Montcalm had in mind when he referred to wastefulness in the C.B.C. In another article, in the same paper, *Nouvelles Illustrées*, Robert Rumilly feels that:

> Mr. Mark Drouin is practically Prime Minister Diefenbaker's sole advisor in matters which concern the province of Quebec.

Further, he adds about Mr. Mark Drouin:

> Very poorly qualified as a spokesman for the people of French Canada he does a bad job of informing and advising his leader.
>
> His dealings and relations with the C.B.C. have led him astray.

Those are the words used in the newspaper *Nouvelles Illustrées*, by the friend of the hon. member for Joliette-L'Assomption-Montcalm.

As far as we are concerned, Mr. Chairman, we don't think there is any extravagance in the C.B.C. As in any other concern, there might be room for improvement, but we are convinced that the C.B.C. is doing a good job with the work assigned to it, and is doing so because of the co-operation and effort of

all its employees. Anyway, if there is any waste and extravagance in the C.B.C., it is surely not with respect to the C.B.C. French network producers in Montreal and, for the information of the hon. member for Joliette-L'Assomption-Montcalm, I must say that, according to our information, those producers are getting $2,000 to $5,000 less than producers of the same class in Toronto.

It is because of this teamwork by C.B.C. employees that we have managed to get what we have got, and it is that same team of workers which, to prove its solidarity, refused to cross the picket line, and in a generous gesture, decided to support the C.B.C. producers in their demands.

Since December 29 last, Mr. Chairman, since the C.B.C. producers decided on the work stoppage, this parliament of Canada has had a serious problem to settle, as the hon. member for Laurier (Mr. Chevrier) said this morning.

On account of the strike, because of this dispute at the C.B.C., five million televiewers are deprived of favourite programs. The hon. member for Laurier also stated this morning that our French network is being disrupted.

What did the government do? The cabinet members, who have been sitting in the parliament of this country since January 15 last, failed to agree on the matter, and did nothing. The Liberal opposition had to track down the government to rouse public opinion and the government itself.

As I said a while ago, it was made under the inspiring leadership of Hon. Lionel Chevrier, thanks to whom the C.B.C. strike will be settled.

Mr. Chairman, the hon. members on the government side, instead of deriding the members from Quebec, should have risen before it was too late and made fair demands on behalf of the C.B.C. employees. Mr. Chairman, to arouse public opinion and the government, the C.B.C. artists, technicians and other employees in the province of Quebec, and particularly in Montreal, had to send large delegations to Ottawa to meet members of all parties, and members of the cabinet, to make them realize that this was a serious problem that had to be settled not only for the sake of the province of Quebec, but of the country as a whole.

The member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) stated this morning in his brief remarks that the C.B.C. was in trouble because of the way it has dealt with its employees. In my opinion, it took quite some time for the hon. member to realize that there was something wrong in Montreal. I feel that he should have risen the first week of this session and that he should have brought the situation in Montreal to the attention of the government. Furthermore, he should have intervened earlier in the dispute. In fact, this French speaking cabinet member should have suggested to the government the steps to be taken to settle the dispute instead of letting an English speaking member make these suggestions. It was he, as a French speaking member, who should have come up with constructive suggestions.

Mr. Tremblay: Petty politics.

Mr. Rouleau: As for us, Mr. Chairman, who are sitting on this side of the house, we showed interest in this issue right from the start. We took an interest in this dispute because we are more particularly involved. We have followed this dispute very closely because it concerns more particularly one third of the country's population, the French-speaking population. Every right-minded Canadian across the country, whatever his country of origin and the language he speaks, must show concern for this problem which affects one third of his fellow countrymen.

I understand, Mr. Chairman, that this strike, that this dispute of the C.B.C., is about to come to an end. I welcome this possibility and I wish with all my heart that everything will return to normal at the C.B.C., for the benefit of the population and of those more directly concerned, the C.B.C. employees.

I sincerely hope that the teamwork to which I referred in my opening remarks will be resumed so that the Canadian Broadcasting Corporation might remain that of which we are so proud: the world's best French network.

(Text):

Mr. Fisher: Mr. Chairman, judging by what the previous speaker said, there is not much point in worrying about the dispute in Quebec. It seems that the hon. member for Laurier has it all in hand. Therefore I should like to ask the minister a couple of questions. One of them is an old one and relates to the provision of television service to some of the smaller, local points in the country. There was some discussion about it last year when C.B.C. matters were before the house and there was also reference to it in the Fowler report. Has the C.B.C. gone any further in its plans in that regard?

Related to that, I wonder if there is any possibility of some form of compromise or middle way in providing such facilities whereby if certain communities were prepared to raise the money to underwrite the installations the C.B.C. would then provide the

service. Then I have a third question. I realize that any arrangements concerning investigation of the operations of the C.B.C. and the board of broadcast governors lie within the province of the special committee that will be set up, but has the minister any idea when that committee will begin to function? What arrangements will be made for the board and the C.B.C. directors and permanent staff to come before the committee?

The last question I should like to ask the minister relates to some remarks he made in the house with regard to the relationship of the press gallery and the C.B.C. He indicated at that time that he would never take the position of telling the C.B.C. who should appear on their programs. That is all very fine, but he also indicated that in his view the C.B.C. may have gone too far in restricting the choice of people from the press gallery in the way they have.

My own opinion about this particular problem is that the C.B.C. should have the guts to appoint its own people to handle this chore but somehow it does not seem to be ready for it. I should like to know what the minister's views are on this topic and if there is any way out of the divisiveness that seems to be created by the fact that the C.B.C. considers that only a small number of members of the press gallery have the requisite facility with language and the requisite television glamour, shall we say, to appear before the cameras.

Mr. Herridge: Mr. Chairman, I am going to be very brief as usual but I do want to ask the minister this question. Will any of this grant be used for the erection of low power relay stations to serve districts that are without radio communication at the present time or without satisfactory communication? The minister knows the situation in the Kootenays. I have repeated it time and time again in the house. There is a need for three or four of these stations to serve between 4,000 and 5,000 people who to-day are being denied satisfactory Canadian radio reception. Will the minister tell the house what the policy of the government is at the present time with respect to providing such stations to serve districts suffering from this disability? Can he tell the house particularly what the C.B.C. has in mind with respect to the constituency of Kootenay West this year?

Mr. Robichaud: Mr. Chairman, the very brief remarks I want to make on this item will also be on a different topic. I know that my constituents are concerned about the strike of the French network C.B.C. producers although they are not directly affected thereby so far as television is concerned because, as I have said before, in northeastern New Brunswick and along the Gaspe coast we have a concentration of population amounting to 200,000 people who are deprived of all television service and facilities.

On Wednesday the minister replied to a starred question I had placed on the order paper and I was pleased to hear him inform the house that a study is being carried out so as to arrange for the inauguration of such service. I know that the minister might answer that a private concern was issued a permit last year to operate a television station on the Gaspe coast at New Carlisle. This station is supposed to serve a certain area of northeastern New Brunswick with programs 65 per cent in French and 35 per cent in English. Such a service will not be satisfactory to our population. We have in northern New Brunswick certain towns such as Campbellton, Dalhousie, Bathurst, Newcastle and Chatham where a percentage of the population is English speaking. I am rather concerned because I know that some of the officials of the private company wishing to inaugurate a system at New Carlisle, when they are speaking at those centres which are predominantly English say, "You do not have to worry; although our licence calls for 35 per cent of English programs, if we only get on the air you will realize that most of our programs will be in English." When they are addressing a French speaking area, they say the same thing, that the people do not have to worry because most of the programs will be in the French language.

Before I resume my seat I should like the minister to intervene with the C.B.C., in the same way that he has to give facilities to his own constituency in Nova Scotia. I know the minister realizes that in northeastern New Brunswick and the Gaspe coast the 200,000 residents are Canadian taxpayers who pay their share of the amount which is being voted in this house to the C.B.C. In a few months we will be asked to vote another $69 million for the operation of the C.B.C. These 200,000 taxpayers in eastern Quebec and New Brunswick, will contribute to this fund and they have a right to have their share of service. It may be that even a very small proportion of this northern vision might be diverted to New Brunswick, and then we would have the service for which we have been asking.

Mr. Benidickson: While this item is under discussion, I should like to make a few remarks about what I regard as a rather neglected area with respect to C.B.C. services, particularly in the television field, namely the constituency I represent. The Prime Minister during the last election campaign chose our area as a very fitting platform from which to indicate certain promises that the people were

led to believe would be fulfilled if he were elected. When appearing at Kenora he made an announcement on March 18 that he had certain changes to make with respect to the governing body of the C.B.C.

A press report in the Winnipeg papers on the following day said that the Prime Minister made what was a surprise disclosure during his political speech at Kenora. These newspapers went on to say that Mr. Diefenbaker received one of the loudest rounds of applause when he virtually promised this area a television station.

An hon. Member: Virtually.

Mr. Benidickson: Yes, virtually. I just want to remind the minister that last session there were several questions and answers concerning this problem, and on January 30 of this year the minister did provide me with a reply on some follow-up material I had advanced. At page 568 of *Hansard*, he indicated that the C.B.C. had a budget of $100,000 for satellite stations across Canada in accordance with the program that he announced last June 25 in the house. I wonder, Mr. Chairman, if the minister would comment on the fact that to date, after this great lapse of time, Kenora has had only an expenditure of $702 in this direction, and I think he would agree most of that was probably for travelling expenses and so on. I was a little bit disturbed to find that, in contrast with these very poor figures with respect to Kenora, St. Boniface and Trail, B.C., there seems to have been very rapid progress with respect to satellite T.V. service in the area in which the minister himself is particularly interested, Nova Scotia, in that Liverpool, Shelburne and Yarmouth last year had expenditures by the C.B.C. of $54,492 out of the $100,000. I wonder if the minister would just look at this situation in other parts of Canada and try to equalize this progress that has been achieved along the lines that he spoke about last June.

Mr. Simpson: I have been listening with some considerable interest to the hon. members who have spoken on this subject today. I have been listening also with some concern and amazement because of the way in which hon. members have been congratulating the C.B.C. for the work they have done in providing a national broadcasting and television system. I believe we should take quite a long look at the situation before we start patting anybody on the back over this so-called national television system. Until the day comes when all the sections of our country are covered by television I could not agree with the statement that we have a national television system.

[Mr. Benidickson.]

Some members of the opposition have been throwing criticism at the government benches with regard to what they call the inaction of the government in connection with this strike. I must admit I have very little to say in that respect at this time but I should like to point out that during all the years of the Liberal regime we suffered from a lack of television and radio services in the area which I represent, the constituency of Churchill, which embraces about three-fifths of the province of Manitoba, does not have one small portion which is serviced by C.B.C. television. There are 14 constituencies in all in Manitoba, and I think I would be quite safe in saying that well over half of them are not serviced by C.B.C. television.

I do not intend to go into detail on this subject at this time, because later on in this session I hope to be presenting a resolution to the house respecting the desirability of supplying television service to these areas. I should like once more to impress upon the house this one fact; let us all work toward a truly national broadcasting and television system by taking a good look at the expenditures of the C.B.C., with a view to providing those services in those areas which are not already serviced.

Mr. Chevrier: Is the minister not going to reply to the questions which I raised?

Mr. Regnier: I believe that last June the minister announced in the house that a satellite television station would be constructed in St. Boniface. We still have confidence that this is going to be done. However, I would appreciate a word of assurance from the minister before we have a vote on this matter.

Mr. Martin (Timmins): I am going to add a few words at this time. During this debate we have heard hon. members from the various parts of Canada requesting the minister to see that their particular areas are serviced by the C.B.C. We have also heard from hon. members and have seen in the press throughout the country condemnation of the C.B.C. as a waster of the taxpayers' money. I think that is something we should keep in mind. The general trend of thought is—and I certainly do not agree with it—that the C.B.C. should stay carefully out of any area in this country which is lucrative, and that they should merely serve the ones which private stations dare not enter. At the same time that the C.B.C. is expected to perform this service, it is being condemned as a waster of public funds. We cannot have it both ways, Mr. Chairman. If the C.B.C. is to be expected to serve the non-lucrative areas of this country, surely

it is also entitled to serve in the places where it can get some return and thus help to offset the expense. Certainly I do not think that many members are taking a realistic view of this particular matter.

Mr. Nowlan: I was waiting, Mr. Chairman, to see whether hon. members had anything else to say on this estimate before it was carried. It is an extremely difficult situation in which I find myself this afternoon. As hon. members well know, negotiations are going on at this very moment, or at least I hope so. They started at 12 o'clock and I trust that if they have concluded it will be in a satisfactory way. There are many things that I might perhaps like to say on the matters which have been raised today but which I think perhaps it would be inadvisable for me to raise at the moment. Perhaps they could be discussed later on when the question is again revived when our main estimates are up for consideration.

I think the Minister of Finance made the situation plain this morning. I should like to reiterate the nature of this vote which we are called upon to pass this afternoon. It is rather unfortunate that the vote is headed "grant towards the anticipated operating deficit" of the Canadian Broadcasting Corporation. As the minister pointed out, in the estimates for this year which concludes on March 31 there was included an item of $12 million, the estimate of the money which would be received from the excise tax on radio and television sets for this fiscal year ending March 31. When the new act was proclaimed some weeks ago that provision lapsed. Of this $12 million the C.B.C. had already collected some $9 million which left a balance which is shown in the estimate today. Hence it is not a contribution toward a deficit at all. It is not an increase item such as that which is usually found in the supplementary estimates. It is simply a bookkeeping item to compensate the C.B.C. for the money which they would have received if the act had not been repealed.

I can go further than that, Mr. Chairman, and say that this item is rather unfortunate from the standpoint of the C.B.C. because, owing to the prosperity which has been engendered in this country by this government and which is so obvious on all sides, the estimate of $12 million which we anticipated as the revenue from this tax was really much less than the amount which we would have collected. The amount has risen to such an extent that it probably will be between $15 million and $16 million which would have been collected from this tax as compared with the $12 million which was estimated. Hence the C.B.C., instead of getting a contribution towards a deficit as if this were an additional amount, is actually foregoing some $2 million or $3 million which would have been received had the tax remained in force until the end of the year. I want to make that fact plain.

There has been some talk of waste, extravagance and so on and so forth here in this committee today. I have not any doubt in the world, Mr. Chairman, that there is some waste and extravagance in the Canadian Broadcasting Corporation. I would be extremely doubtful that there is not waste and extravagance in any corporation or any business organization or any department of government. In the estimates which the Minister of Finance brought down yesterday I think he proved that point to a certain extent by reducing controllable expenditures by some $39 million despite the expanding services of the government. I am hopeful that in the days to come or in the year to come, when this board of directors working with the management are able to review the entire operation of the C.B.C., it will be possible to effect economies and streamline the organization. If there is extravagance and waste—as undoubtedly there is in some quarters; as I say, it is inevitable—I hope and expect that that situation will be remedied in the days to come.

I want to join with everything that has been said by hon. members here in their tribute to the C.B.C. with respect to the service which it has rendered to this country and particularly with respect to the tremendously rapid growth of television, both on the national network and on the French network. I think the C.B.C. in the development of this television service has established a record which is unequalled in the whole world. Undoubtedly it grew rapidly. It was obliged to grow rapidly. It grew too fast. Undoubtedly in that expanding service there are elements which mushroomed over a period of four or five years and provided an adequate service, both French and English; two networks in this sparsely settled country and I say "sparsely settled" advisedly. Canada has a population of 17,500,000 in comparison with that of our neighbour to the south which has a population of 165 million but has really only three national networks. We have established here a record of which we ought to be proud.

I want to pay my tribute to the management, the employees, the producers, the artists and all the rest of the people who have made it possible to establish this record. I also want to pay tribute, Mr. Chairman, to the management of the C.B.C. for the way

in which they have conducted themselves during this strike. This has been the most unfortunate and unnecessary episode in labour relations in Canadian history, in my opinion. It is something which never should have happened. However, having happened, it has been extremely difficult to organize the situation and get control of it and re-establish relations, something which could easily have been dealt with if the strike had not happened. I am the first to admit that there were minor difficulties between management and producers in Montreal which needed attention and which should and could have been dealt with in half an hour if they had been brought to the attention of the management here in Ottawa. But they were not brought to the attention of the management here in Ottawa and the situation went on until, as I said, the strike came.

I think it is justifiable, Mr. Chairman, for me to draw the attention of the committee to the circumstances under which the strike arose and the time factor in connection with it. I think it was on December 29 there was a conference between representatives of the producers and representatives of the management in Montreal, there having been a conference earlier in the month. The producers had raised certain grievances. The management said that they would deal with them. They suggested that the producers form an association. That matter was agreed upon. The association was supposed to meet again and try to iron these things out. Then on December 29, at nine o'clock in the morning, a conference started between representatives of the producers and the representatives of management, and that conference went on during the day. There were breaks for discussion with the principals, breaks for luncheon, of course, and all the rest of it. Then at five o'clock in the afternoon the picket lines were marching around the C.B.C. building. The ultimate weapon, the last weapon, the last weapon that should have been used, was brought into play on the first day.

This fact made it much more difficult to deal with this situation. As I said, if the strike had not happened then, I think that whatever minor differences there were—and I am free to admit there were some—could have been settled very easily. During that conference that day suggestions were made and discussed. One was that the producers name or form an association similar to one in Toronto and that the C.B.C. would be glad to deal with that association. That was refused. The question of organizing a union was dealt with, and I want to make it plain that there has been some talk about that which has not particularly been mentioned here today, but it has been referred to. This concerned the question of the intransigence and stubbornness of the corporation in dealing with this matter. When it comes to the organization of a union, under our law the union should be certified by the Canada labour board, and should apply to that board for certification. When it has been so certified, then the corporation, of course, would deal with the union. The corporation made it very plain on the 29th that they would be prepared to deal with the union should they apply to the Canada labour board and get certification. That was the second proposal that was made that day. The representatives of the producers said that they wanted the union, but they would not apply to the Canada labour board.

Now I would suggest this. It is true that a settlement or arrangement can be worked out in recognition of the union without going to the board. But the law is there. This is a federal crown corporation created by this parliament and responsible to this parliament. The law of this land was passed by this parliament. I ask you, Mr. Chairman, as I would ask any hon. member of this house, if a corporation can be accused of being intransigent and stubborn when as a crown corporation it suggests to the parties in a labour dispute how they could carry out the labour laws of this country? I do not think it could and I do not think any responsible person can suggest it could.

The third proposition which was put up that day was that each side should appoint a lawyer to negotiate and discuss the question of adjourning for a month, or two weeks, or a week, and try and bring their grievances into focus and deal with them. That too was refused. Altogether there were six or seven propositions discussed that day but in the end they came to no avail, and this unfortunate strike resulted. I think the record is fairly clear that, although the C.B.C. management, as I said, is subject to some criticism in minor matters of administration in Montreal, matters which should have been settled and which will be dealt with, they were not of the subject matter which would justify a strike within the space of eight hours from the commencement of the discussion until the picket lines were in action around the building. So much for that.

The suggestion has been made by the hon. member for Dollard—and I appreciate the very, very responsible and objective speech by the member for Laurier this morning in dealing with this matter—with regard to the fact that during this strike there has been a sense of responsibility and objectivity, as I think is expected of all hon. members

at this time. I must say that I thought the hon. member for Dollard sounded, shall I say, as if he thought the time was ripe for an election. I think in that event it would be more in sorrow than in anger.

He inferred that the government had failed in not dealing with this matter. I think that is the first time that suggestion has come from, shall I say, a responsible member of the official opposition. It is rather refreshing, Mr. Chairman, to hear such a critical statement made. This was not a criticism which one would expect to be made of this government. It is not a criticism of which we were warned. This was a government which was going to wreck the C.B.C. This was a government which would interfere with the C.B.C. It is rather ironic, Mr. Chairman, that the minister who was so diligent in making sure there was no interference with the C.B.C. in any way, shape or form, is now being criticized because he has refused to intervene in this matter. I have been insistent from the beginning, since I took on the responsibilities of the office of minister reporting for the C.B.C. to this house in maintaining the position that the C.B.C. is an independent crown corporation. I have reported to parliament that I would not interfere in any way, shape or form with the management of this corporation. I do not think any hon. member in this house should expect me to do so. This government has not interfered in any way, shape or form since this strike has commenced.

An analogy was suggested in this matter with regard to the government taking certain action in dealing with the railway strike. There is no analogy or comparison at all between a competing business like the Canadian National Railways, serving the whole nation, and this intangible, indefinite, but most important organization which affects public opinion, which affects Canadian culture, and which if it once became a political football or a subject of political interference could be wrecked. If we establish a precedent now of interfering with the Canadian Broadcasting Corporation in the labour field, then there is a precedent established for interfering with it in some other way, and we could destroy this organization which is a part of French Canada, English Canada, in fact all of Canada. That is why the government has taken that position and will maintain it.

I hope the discussions which are going on today will be successful. The area of difference is very, very small at the most, I understand. They were sitting until 5.30 this morning, and quite probably they have slept in this morning and have resumed negotiations at 12.00 o'clock. I am sure that one way or the other those negotiations will probably conclude within the next few minutes, or within an hour or two, if they conclude successfully. But they will conclude in any event.

That, generally, Mr. Chairman, is the position which this government has taken and this is something of the background of this strike. The way has been open at any time for the producers to apply to the labour board for certification. I do not want to weary the committee by going into detail, but I think this should be cleared up. It is true that in 1952, I think it was, there were two applications for certification before the labour board by unions of the C.B.C. In one case the union, I am told, asked the labour board to exclude the producers. The producers agreed, and they were excluded. That was a matter of agreement. A subsequent application came up shortly after that. In this case it was not a union of producers but a union of, shall we say, technicians or some other branch of the employees of the corporation. There were a few of the producers in that group, but no one suggested to them that they be included in the union. The inference was drawn, rightly or wrongly, that they wanted to be out of it, and the Canada labour board excluded them. Then because of those two precedents, Mr. Chairman, I think the producers, inadvisedly and wrongly, thought a precedent had been created there which would prevent them from making a successful application to the board. Legislation and practice move, laws and decisions change, and I suggest that by a decision formed on such an intangible, narrow and doubtful basis, and made six years ago, the board would not refuse and should not refuse an application. If the application had been made it would have been resolved. I am not sure whether there is a time limit during which the board has to sit, but I am sure it would have been resolved long before this. The corporation has at all times been ready and willing to recognize the association. It has been functioning successfully now in Toronto for a year, and the same offer was made to the producers and was refused.

Someone—I think it was the hon. member for Dollard—referred to the salary differentials between Toronto and Montreal. I am instructed by the C.B.C., and I have no doubt my information is correct, that the differential between the salary which the top producer in Toronto receives is in the neighbourhood of $1,000 more than is paid to a top producer in Montreal, and that in the case of 75 or 80 per cent of the producers

the salaries paid are exactly the same, though, of course, the producers in Montreal have done a remarkable job. We must, I think, remember another factor which affects this question. I am surprised that the salary differential is not greater because of competition from the networks in the south, competition from all the English speaking networks. The pressure on English speaking producers is far greater, of course, than is the pressure on producers in Montreal where the competition factor is not very important. I can assure hon. members that there has been no discrimination with regard to salaries, or so, at least, I am told. At least, it lies within a margin of $1,000, and we all realize that in top management in any field a differential of $1,000 is insignificant and not a matter for discussion.

It has been suggested that the French network has been disrupted. It is most unfortunate that these programs, which are a great tribute to the producers and which reflect tremendous credit on the artistic ability of our friends in the province of Quebec who have organized this great French Canadian network, should have been largely disrupted, but I must say that there has not been the disruption which has sometimes been suggested here. The network has been operating. Shows have been put on, and films have been put on. Perhaps the people in Quebec, from the standpoint of films, are more fortunate than those who watch the English networks. As hon. members know, the service draws on banks of old films, and those shown on the English network are often fairly old. On the other hand, the French network has been getting recent films from European centres and I am told they have been most thankfully received.

As I have said, Mr. Chairman, there are many factors I could discuss. I have received a tremendous amount of mail on this question myself, a tremendous amount from the province of Quebec, and certainly the opinions which have been expressed in the correspondence I have received would not suggest —unfortunate as the situation has undoubtedly been—that there has been any great blow dealt to the French network or that the corporation has been wrong in the stand it has taken. The corporation has been carrying on these negotiations for many weeks. It is indeed most unfortunate that a great Canadian of French origin, the president of the corporation, one of the first to obtain the presidency of a great national corporation, should have been stricken at this time. I refer, of course, to Mr. Ouimet, the man who made the television service of Canada what it is.

[Mr. Nowlan.]

Some hon. Members: Hear, hear.

Mr. Nowlan: It has been suggested in some places—not here, and not by the producers—that there is a racial element in this; that these Englishmen—English Canadians—are doing things to our boys that should not be done. I want to congratulate the producers, because I have talked to them about it. I have talked to Mr. Querion and Mr. Duceppe and they both told me they were satisfied about this and that they would do everything possible to suppress it. And they have.

I also wish to say this in fairness to the management of the C.B.C. All the steps which have been taken—all the letters written by the C.B.C. management—were signed by Al Ouimet that Sunday morning before he was stricken with a heart attack, and the C.B.C. management, apart from negotiations carried on personally around the table, have taken no stand on this question whatsoever except that authorized by Mr. Ouimet, who had been working under great strain before he suffered this unfortunate attack. I realize it is most regrettable that he was not able to carry on. I want to pay tribute to Mr. Carter and to Mr. Bushnell who insisted that negotiations should be carried on with these Canadians of French origin through this period and I want to pay tribute to everyone concerned and to the employees who have kept the system operating, working long hours, as long as 15 or 18 hours at a stretch, sometimes at great risk.

The hon. member for Timmins made reference—I still do not understand it—to something said about assaults and so on. Certainly, there is no one in the C.B.C. who has been engaged in assaulting or threatening people who are working in the C.B.C. I think that is obvious. I am sure there is no one who thinks for one moment that the C.B.C. has anything to do with it. I may say that some of the wives of employees who are working are getting as many as 100 telephone calls a day saying that their husbands may not get home or what might happen to their child when he goes to school. Those are the things that are going on beneath the surface.

I have just been handed a note which says that negotiations adjourned a few moments ago and are to resume in half and hour. That is the news with respect to the latest situation in connection with these negotiations.

There were questions asked by the hon. member for Kenora-Rainy River, by the hon. member for Port Arthur and others with respect to developments in their own areas. I think that these questions had, perhaps, better be left until the committee meets, at which time the officials of the corporation

will furnish accurate and detailed information, rather than that the hon. members should rely on the replies I am able to make at the moment, which can only be general in nature. However, I can assure the hon. member for Kenora-Rainy River that the extension in his area was provided for in the estimates last year and that it is the intention of the corporation to carry this out. If there has not been such a development on this project as should have taken place, or as he expected, it is regrettable, but the item is there and if the money cannot be expended this year it will be provided in next year's estimates. This is a matter for the C.B.C. They work out these various areas and every one of these plans which was named last year in Kenora-Rainy River, in Shelburne-Yarmouth-Clare and in Manitoba—there are six or seven—are being, and will be proceeded with by the C.B.C. I hope they will be completed in the relatively near future.

I think there is nothing more I could usefully add at this moment. I have probably overlooked some of the matters to which hon. members have referred, but there are times, as I have said, when silence is golden, particularly when the negotiators have adjourned for half an hour.

Mr. Chevrier: Is the minister not going to say whether or not there is a member of the board of directors sitting contrary to the provisions of section 22 of the Canadian Broadcasting Act?

Mr. Nowlan: I do not think there is a member of the board of directors sitting contrary to the provisions of section 22 of that act. As he said, the hon. gentleman is referring to Mr. Raymond Dupuis. I am very happy that a distinguished Canadian of outstanding business experience is prepared to sit on the board of directors of the C.B.C. at a great sacrifice of time and effort. Mr. Dupuis is not responsible in any way whatever for any decisions which have been made in connection with this strike. I think I am right in drawing the inference from what was said—and if I am wrong the hon. gentleman will correct me—that Mr. Dupuis may have been considered responsible in some way for decisions to resist the strike or to defer a settlement. Neither Mr. Dupuis nor any of the executive members took part in any discussions about this matter until after Mr. Ouimet became ill.

Mr. Chevrier: Mr. Chairman, if I may interrupt I should like to state that I neither said that nor could that interpretation be placed upon the remarks I made.

Mr. Nowlan: We shall see, Mr. Chairman. We will look at *Hansard* tomorrow morning and see what was said. That is the inference I drew. If I am proven to be in error I shall certainly withdraw the suggestion immediately. I thought that is what the hon. member had in mind. I read in the newspapers and drew the inference from remarks made here that it was because Mr. Dupuis was a director of Dupuis Freres, a large department store in Montreal. Like anyone in the retail store business he is engaged in the retail sale of radios and television sets. Certainly that was never in the minds of those who drafted the legislation. The definition of the words "radio apparatus" were inserted in the act to guard against something else entirely and I believe the definition did serve to guard against it although perhaps by being too stringent in the language used. The definition was inserted to avoid pressure being brought to bear upon the corporation by the manufacturers of radio apparatus or equipment. That is why the word "apparatus" was used.

It is true that there is a technical definition of the words "radio apparatus" in the Radio Act, just as my hon. friend said. We know why it was put there. It is no more related to this, of course, than daylight is to dark. Under the terms of the Radio Act in the early days a licence fee was charged. Most of us in this chamber can remember when we had to buy radio licences. Efforts were made to avoid non-payment of the radio licence by saying, "I do not have a radio; I have only tubes or part of a radio."

The definition of radio apparatus was designed in such a way as to cover any apparatus whatever that might be capable of receiving or transmitting a signal. Unfortunately the words "radio apparatus" which appear in the Broadcasting Act, also appeared in the Radio Act years ago, the same term exactly. They were inserted in the Radio Act to make sure that people could not avoid paying a radio licence fee by claiming that they had only part of a radio set as opposed to an operating radio.

Mr. Dupuis drew this matter to my attention and we spoke about it on one occasion. I told him that the intention of the government was to make sure that no one would be in a position to bring pressure to bear on the corporation with respect to the manufacture or sale of radio apparatus. The corporation, of course, buys apparatus. What we were thinking of were expensive installations running into thousands and sometimes hundreds of thousands of dollars in cost. Certainly no one in his right senses at that time or since would have inferred that it could have been designed to apply to a person who happened to

sell a radio or television set on the floor of his retail store whether it be a huge department store or a little country store at some crossroad corner. I thank the committee for its indulgence. I overlooked dealing with that point when I spoke.

Mr. Chevrier: Mr. Chairman, if I may be allowed to say a word at this juncture I should like to state that I am grateful that the minister has seen fit to reply to the question which I raised. His reply was a lengthy one and what is recorded in *Hansard* will indicate the position as between that taken on this side of the house and that taken on the other side of the house.

I must say to the minister with deference that his reply is not satisfactory or acceptable. It is not satisfactory for the minister to say, "It is not the intention of the government that the act should be read thus and so". In reply I must say that the minister did not tell parliament that when he brought down the Canadian Broadcasting Act. Those are the very things against which they were warned by the Leader of the Opposition, the hon. member for Bonavista-Twillingate and the hon. member for Ottawa West. They were warned that a situation like this might develop and their remarks can be found on the record. The minister now rises in his place and says, "That was not the intention. I told this gentleman who, I repeat again, is a most honourable person, that this was not the intention of the government". If it was not the intention of the government, that is one thing. It certainly was the intention of parliament as is indicated in the legislation and I leave it to those who without being learned in the law are able to read the English language. I am sure they can come to no other conclusion but that the section as it now stands is being contravened in this instance.

I am grateful to the minister for the position which he took at the outset of his remarks. He started off to explain the situation as it is with calm, serenity and dignity. He continued in that vein for a while but then for some reason or other he veered drastically from that course. To my utter amazement and I am sure to the amazement of this committee, as well I venture to say to that of the Minister of Labour, the hon. gentleman proceeded to condemn the attitude taken by producers, representing one of the parties to the strike. He went on to say that following the meeting on December 29 they went out and put a picket line around the building. He said there were some irregularities and there was some violence. And then, to use his own words, he said the circumstances were not such as to warrant a settlement under conditions as they existed then. He said, in effect, "The strike should never have taken place; the government would never interfere; the producers inadvertently and wrongly thought that they did not have the right to re-apply to the national labour relations board".

I say to the minister with all the deference at my command and with the respect for his person which he knows I hold that strikes or disputes are not settled in that fashion. After all, people have a right to strike. That is an innate right in this country. Whether those who are striking are right or wrong it is not within the minister's jurisdiction to say that they are behaving irregularly in one way or the other. Perhaps that lies within the purview of the Minister of Labour but certainly it is not within the purview of the minister who is "the boss" of the C.B.C.

The minister then went on and made another startling statement with reference to the right of association. Whether or not these men form part of management they surely have the right to associate. That has been maintained time and time again. That is another right that is given to Canadian citizens. In addition to that, those who have carefully studied this question—and I do not want to mention the names of these experts—say without doubt that these people have the right to form an association. This is the opinion of those who are in the know.

Mr. Nowlan: No one ever questioned that.

Mr. Chevrier: A moment ago my hon. friend indicated that that was the case.

Mr. Nowlan: I do not believe that construction can be placed upon my remarks.

Mr. Chevrier: My hon. friend went so far as to say they had not the right to associate.

Mr. Nowlan: The record speaks for itself. My hon. friend questioned an inference which I drew from his remarks and certainly I am entitled to question an inference he draws from mine. I certainly did not intend to give the impression that I felt they had not the right of association and I am convinced I did not do so. There never has been any question but they had the right. They were urged, begged and pleaded with to form an association and they promised to do so but they went back on their promise the next morning.

Mr. Chevrier: I accept the minister's statement but that was not the attitude he took in the early days of this issue. I say to him that his attitude has changed tremendously from that he took in the early days of the strike and the attitude of the Minister of Labour has also changed. At that time they

were going to wash their hands entirely of the strike, have nothing to do with it and not interfere. "It is not our business," they said. That was the position taken by the government at that time.

Mr. Starr: Mr. Chairman, on a point of order, the hon. member for Laurier has just said that the position of the Minister of Labour has changed from the early days of the dispute. That is not true. My position is still the same as it was in the early days at the beginning of the strike.

Mr. Chevrier: May I ask the minister a question? Is it not a fact that the minister saw officials of the C.B.C. at one stage to discuss the dispute that was under consideration at the time?

Mr. Starr: Mr. Chairman, I met the C.B.C. but not to discuss the merits of this dispute in any way whatsoever. On January 16 at the beginning of the session the hon. member for Laurier asked me a question and, as found in *Hansard*, I stated my position and that of the Department of Labour very clearly. That position is still maintained. I saw the producers on two occasions. The second occasion was when the march on Ottawa was staged and I gave them some very good advice. My advice was to resume negotiations with the C.B.C., and I am very happy to tell the hon. member that they took my advice and are now negotiating. If the hon. member is not satisfied with that procedure, most certainly he is going to a great deal of pains to upset this whole situation.

Mr. Chevrier: Mr. Chairman, I find it very strange that the Minister of Labour would say that he has seen the producers and has seen officials of the C.B.C. on two occasions but not to discuss the strike.

Mr. Starr: Again I rise a point of order.

Mr. Chevrier: That seems to be—

Mr. Starr: The hon. member for Laurier is not telling the truth.

Mr. Chevrier: —quite a strange—

Mr. Starr: I did not say that a moment ago.

Mr. Chevrier: —attitude on the part of the Minister of Labour. When a dispute is taking place the Minister of Labour sees one side and then sees the other side but not to discuss the dispute.

Mr. Starr: On a point of order, Mr. Chairman—

The Chairman: Order. Hon. members are speaking at the same time. I would ask them to please speak one at a time.

Mr. Starr: On a point of order—

Mr. Chevrier: I have the floor at the moment.

Mr. Starr: I rise on a point of order, Mr. Chairman. A moment ago the hon. member for Laurier said that I had admitted that I met the producers once and the C.B.C. people twice. I said exactly the opposite. I do not think the hon. member pays attention to what is being said in the house.

Mr. Chevrier: Mr. Chairman, of course it is one thing to interrupt a person when a speech is being made and it is another thing to interrupt him when one does not like what is being said. That is exactly what is happening because while the Minister of National Revenue is responsible to a large extent for what is taking place, the Minister of Labour has a great responsibility too but he will do nothing. He sits there on the fence like a mugwump, with his mug on one side and his wump on the other.

Mr. Starr: On a point of order, Mr. Chairman—

Mr. Chevrier: Where is the point of order? There is no point of order.

An hon. Member: Sit down.

Mr. Chevrier: I will not sit down for you. I will tell you that. You cannot make me sit down. I raise a question of privilege. Let me tell the hon. member—

The Chairman: Order. I must remind hon. members that they should not interrupt in a loud voice the speaker who has the floor. Furthermore, it would be highly appreciated if members of the house would not all talk at once. It would be easier for the chairman to carry out his duties.

Mr. Chevrier: I rise on a question of privilege. My question of privilege is that while I was discussing the very matter now before the house one hon. member interrupted and said, "sit down". I submit that the hon. member has no right to use that kind of language under the circumstances and I protest in as strong language as I can against that kind of conduct. Now, if the house will allow me—

Mr. Starr: On a point of order, Mr. Chairman, the hon. member for Laurier used a word to describe me that I think is not parliamentary and I think he should withdraw it—

Mr. Benidickson: Mugwump.

Mr. Starr: —because, Mr. Chairman—

Mr. Benidickson: Thinskinned.

Mr. Starr: —I have endeavoured ever since taking over the responsibility of this office

to do a job with respect to relationships between management and labour that come under federal jurisdiction. Most certainly, in the light of what I have heard from the hon. member for Laurier, I would not take any of his advice because none of the settlements that have been brought about would have been brought about.

Mr. Benidickson: That is not a point of order.

Mr. Chevrier: Mr. Chairman, if I may be allowed to resume I shall try to do so in a little calmer fashion provided I am not interrupted by hon. members on the other side of the house. I was saying a moment ago that not only the conduct of the government but the conduct of the Minister of Labour in particular is unacceptable to this side of the house, and I am sure it is unacceptable under the present circumstances because the Minister of Labour has taken the position from the outset that he should not intervene. Whether that is right or wrong is up to him to determine. I say it is wrong and I propose to indicate why I say it is wrong. It is wrong because I believe that the position of the government under the circumstances is confused and contradictory. I hope the Minister of Labour will not interrupt me when I say that because he remembers quite well the statement made by the Minister of National Revenue that this strike was illegal. He said so in no uncertain terms and his language was quite clear. He repeated it at least two or three times and I am told—if I am wrong the minister will correct me—that on the occasion of meeting the producers in the railway committee room he relented from that position and said that perhaps he had gone too far. Whether that was said or not, I pass it by. But even after that he came back in the house and said that the strike was illegal.

Your colleague, the Solicitor General, stated quite clearly on two occasions that it was not; first in answer to a question put by myself and then during the course of the discussion he said that the position of the producers was legal. Where did the Minister of Labour stand in that regard? I said he was on the fence because he made no pronouncement as to whether it was legal or illegal. Which is it? Surely the attitude of the government is contradictory and unclear.

The Minister of Labour should be competent to make an authoritative statement on the question because it is really his department which has the responsibility. Labour relations are the responsibility of the Minister of Labour rather than the Minister of National Revenue but the Minister of Labour has refused to make his position known other than to state that it is not the intention of the government to intervene. Here again the government has a responsibility—

Mr. Starr: I wish to refer the hon. member for Laurier to my answer to his question commencing on page 9 of *Hansard* for January 16 last. He will see the answer to what my position is there.

Mr. Chevrier: I do not mind being interrupted from time to time as I go along by statements such as: "Look at *Hansard* and see the reply to my question."

Mr. Starr: It is just to put you straight.

Mr. Chevrier: Oh, I know the minister does not like this. I know the Minister of Labour is embarrassed.

Mr. Starr: I am not embarrassed one bit. The only thing I am embarrassed about is that you are doing a good deal of harm so far as this dispute is concerned.

Mr. Chevrier: Who started it?

Mr. Starr: You are doing it. You are doing a great deal of harm.

The Chairman: Order.

Mr. Chevrier: Don't let the minister point his finger at me because if I continue he won't point his finger.

Mr. Starr: You are doing a great deal of harm with respect to this dispute.

The Chairman: Order. While an hon. member is speaking he is not to be interrupted—

Mr. Starr: Let him tell the truth then.

The Chairman: —except by an hon. member rising on a point of order or a question of privilege or, with the permission of the one who has the floor to ask a question. Once again, will hon. members please refrain from these manifestations when a member is speaking.

Mr. Chevrier: I come again to the question of the inconsistency on the part of the government in so far as this dispute is concerned, inconsistency brought about by two views in the government, apparently, one which is indicative that the strike is illegal and the other indicative that it is not. It is for this reason I was saying, when I was interrupted, that there is a responsibility on the part of the government to clear up the present confusion.

The statements made by the Minister of National Revenue in the house this afternoon, it seems to me, have already been

made clear in their implications. I submit again, with deference as I did a while ago, that under the circumstances it would strike me that they are not justified. So far as we on this side of the house are concerned, we cannot see how the dispute is illegal in any way whatever. The producers have no collective agreement with the C.B.C.; many of them did not even have individual contracts with the corporation when the interruption of work began. Finally, so long as they are considered by the C.B.C. as part of management they are not covered by the act and therefore they cannot violate it. This is the only interpretation that can reasonably be given to the present dispute, and it was for that reason that it was not possible for us to understand why the government could not intervene in the matter.

I should like, if I may, to move to another aspect of this subject, which again has to do with the responsibility of the government in the dispute. From the beginning the Minister of Labour has refused to intervene, as he stated, on the ground that under the Industrial Relations and Disputes Investigation Act he was not authorized so to do.

Mr. Chambers: Would the hon. member permit a question?

Mr. Chevrier: Yes.

Mr. Chambers: I wonder if he has carefully considered the effect of what he is saying today on the situation as it actually exists? I know he is anxious to bring things to a conclusion, and I just hope that he will think before he continues in this vein.

Mr. Chevrier: The hon. member wanted permission to ask a question, but he did not ask a question, he made a statement. In reply to that statement I would say that had he been in the house and had he listened to the statement made by the Minister of National Revenue which brought about my reply, then he could have asked his question first and foremost of the Minister of National Revenue.

Now, if I may return to a consideration of the Industrial Relations and Disputes Investigation Act, section 56, subsection (1), clearly states:

> The minister may either upon application or of his own initiative, where he deems it expedient, make or cause to be made any inquiries he thinks fit regarding industrial matters, and may do such things as seem calculated to maintain or secure industrial peace and to promote conditions favourable to settlement of disputes.

That language is quite clear. In our opinion, which I submit to the minister is a sound one, the minister may, if he wishes, intervene and do the things that are referred to in the act. We have never, nor will we accept on this side of the house the narrow interpretation that has been put on this statute by the Minister of Labour.

Mr. Starr: That is your choice.

Mr. Chevrier: Yes, it is my choice and I have a right to express myself as I am doing, and that is why I hope the minister will not continue to interrupt me in my expression of thought, and the careful consideration that I have given to these matters.

Mr. Starr: Providing your facts are correct.

Mr. Chevrier: These facts are quite correct. It is because the facts annoy the minister that he has been interrupting me.

In spite of the Minister of Labour's unwillingness to intervene, he did meet with the representatives of the producers on at least two occasions, as he said when he interrupted, and he met with the officials of the C.B.C. I will not pursue that any farther because I am sure the minister could rise and say that he did meet them, but he did not discuss the dispute with them. Of course, if he says that, I have to accept his word. Those are the rules of the house and that is all there is to it. I am not going to draw any inference, but what I am going to say is this. Having met the producers on the one hand and discussed the matter with them, and having met the C.B.C. officials on the other hand, whether or not to discuss the matter with them, it seems to me that the only other logical thing to do was to see both of them together. This is the point at which the good offices of the Minister of Labour and of the government could have been of tremendous assistance, of tremendous use.

It seems to me only logical that when parties are seen and met separately, that is one step in the direction of leading to a settlement of the dispute. The next step which follows is to meet both of them together. If the minister had seen fit to do that, I am sure that the position which exists today would probably have been anticipated by at least 10 days.

If I may go a step further, while the minister took the position that he could not intervene for the reasons that he gave, the Prime Minister on the other hand gave a completely different interpretation of the inaction of the government. He said to the representatives of the C.T.C.C. about 15 days ago that the government could not intervene in this dispute because such intervention would be undue interference with the affairs of the C.B.C. for which it could be criticized. Here again, Mr. Chairman, we get from the government two different accounts of the

same situation. I maintain, and I repeat, that the position of the Prime Minister with reference to this matter is unacceptable. I say that government interference with programming, government interference with freedom of information or freedom to express points of view on a network of the C.B.C. is one thing that should be avoided. Everyone, I think, in this house will approve of that. However, government intervention for the purpose of offering its good offices to settle a labour dispute is an altogether different thing.

It is not only possible, under the provisions of the legislation which I mentioned a moment ago, but it is also, in the present case, the most practical and most desirable thing to do.

Mr. Pickersgill: It is the duty of the government.

Mr. Starr: That is your opinion.

Mr. Chevrier: Yes, it is my opinion and I say not only is it the responsibility of the government but, as the hon. member for Bonavista-Twillingate has said, it is the duty of the government so to do.

Mr. Starr: That is only his opinion, too.

Mr. Chevrier: Let us just pursue this matter a step further and see whether or not the position which I am taking is not a logical one. If a dispute were to occur between the C.B.C. and the existing certified unions representing its employees, surely the Minister of Labour and his department could intervene and such intervention would not be viewed as undue interference with the affairs of the C.B.C., especially if such dispute led to a long interruption of work paralysing both national networks. I am quite sure that the Department of Labour has intervened in the past and that that intervention was not seen as undue interference in so far as the settlement of labour disputes is concerned. If the Prime Minister's argument was carried to its logical conclusion, it would seem that we would have a special category of labour disputes, namely those involving the C.B.C., where the government, through the Minister of Labour or otherwise, could not intervene in any way whatsoever. What would happen then if we had a long strike which paralysed all the public networks, and which was brought about by the intransigence of some C.B.C. officials?

Because of the position which I have just set out, I think I have established quite clearly that the two positions taken—that by the Prime Minister on the one hand and that by the Minister of Labour on the other—with reference to the intervention in this dispute are not acceptable or tenable. The inescapable conclusion is that the government has the right and therefore the duty to intervene in disputes such as this one and then to help bring about a satisfactory solution. Moreover, the Minister of Labour has the right to intervene personally, as I suggested earlier. Notwithstanding his interruptions, I am sure that if he had determined to intervene in this dispute the matter would have been settled many days ago.

Let us assume just for a moment, if I may, that the government is right in asserting that it cannot intervene in this dispute. Even if this were true, it does not mean that the government has no responsibility whatever in this respect. Even if it were true that this is merely a dispute within the management of the C.B.C. and that the government cannot intervene directly, it certainly cannot be denied that the C.B.C. is ultimately responsible to parliament and that parliament, through the committee on broadcasting which is to be set up during this session, can intervene and hear the two parties in this dispute. This suggestion has already been made. Even now, if the dispute is settled, the government may wish to consider, setting up the committee so that parliament would get an idea of what were the reasons for the difficulties. If as I say, such shall not be the case and the matter is not resolved, then I submit again with deference that this is a proper method—and I suggest it to the government—by which to dispose of the dispute.

However, the initial responsibility for setting up that committee belongs exclusively to the government. The government cannot deny that responsibility. We on this side of the house again urge the Prime Minister in the strongest possible terms to set up this committee immediately. As I said earlier when I rose to speak, the parties are now meeting in conciliation proceedings to consider the matter and that fact is all to the good. I hope that the conciliation proceedings which have been established by private initiative will be successful. But if they are not successful I submit with deference to the government these three methods which I have outlined in a rather general way. I suggest first the idea that the Minister of Labour should himself intervene. I suggest next the establishment of the committee on broadcasting so that parliament could consider the matters which are under dispute; and finally I come to the appointment of a commissioner under section 56 of the Industrial Relations and Disputes Investigation Act as recommended earlier today by my friend the hon. member for St. Denis.

Before resuming my seat, Mr. Chairman, let me say, as I did at the outset of my

remarks, that what prompted me to make the remarks I have made was the statement by the Minister of National Revenue this afternoon. I attempted to deal with the matter as objectively as I could. If I have not succeeded, it will be up to the committee to judge me in that respect. But what I want to lay particular stress on is the fact that there are many people who are suffering or who have been living for the last 40 days in extremely difficult circumstances. The French network is in danger. Five million people are not receiving the programs to which they are accustomed and entitled. Because of that fact it seems to me that notwithstanding what was said in this house or what may be said hereafter this discussion has been a good thing. This discussion has put the government on its mettle. This discussion has moved the government to attempt—if not by themselves, by others—to bring about a meeting of the parties. So long as the parties are meeting, so long as they are in discussion, there is every reason why a settlement can be effected. We on this side of the house hope that a settlement will be arrived at soon.

Mr. Carter: Before we leave this item, Mr. Chairman, I wonder whether the Minister of National Revenue would be good enough to clarify one of his earlier statements which I did not quite catch because my attention was diverted at that particular time. I thought I heard the minister say that the purpose of this item is to offset an anticipated loss in revenue to the C.B.C. owing to the removal of some tax. I wonder whether he would be good enough to specify what was the particular tax to which he was referring.

Mr. Nowlan: I thought I made that matter plain, Mr. Chairman. It is not an anticipated loss. It is an actual loss. The tax to which I was referring is the special excise tax on television sets and radio sets, which tax has been paid to the Canadian Broadcasting Corporation under the statute and which was estimated in our estimates last year would amount to $12 million for the year. When the new act was brought into force, the old act, of course, was automatically repealed. This item represents the difference between the actual money they have taken in and the $12 million which they had anticipated. As I told the committee earlier, if the act had run its full course to March 31, my instructions are that the amount would have been substantially in excess of $12 million.

Mr. Carter: I thank the minister very much for that explanation.

Mr. Martin (Timmins): Mr. Chairman, we have just witnessed an extremely interesting aspect of this debate and, I must say, a surprising one. We have observed a number of interruptions, and I think the most disturbing of them all was when the minister proceeded to interrupt Your Honour. I do not think that procedure is in keeping with the best interests of this house.

I find that most of the notes that I have made and intended to deal with at this time relate to matters which have already been dealt with by the hon. member for Laurier. As a result, my remarks will be brief. However, there are a few matters which I think should be underlined and one or two which I think should be added to the ones already dealt with by the hon. member. It is true that the Minister of National Revenue and the Minister of Labour have stated on many occasions that they did not want to interfere in this matter and could not do so. The answer, I think, shows that both of them have in fact interfered.

An hon. Member: How?

Mr. Martin (Timmins): In the first place by the fact that the Minister of Labour stated that this was an illegal strike. That is definitely interference without intervention.

Mr. Starr: That is not true. I never said this at all in the house. The hon. member does not know to whom he is referring. He is confused.

Mr. Martin (Timmins): We have also again today seen what is a very—

Mr. Pickersgill: Mr. Chairman, I am rising on a point of order, if the hon. member would permit me. It seems to me that in the past it has always been an established rule in this house that when a member of the government speaks, under the doctrine of collective responsibility he speaks for the government. Therefore, it appears to me that the hon. member for Timmins was perfectly justified in drawing the inference he did.

Mr. Starr: Mr. Chairman, on a point of order, the hon. member for Timmins definitely stated that it was the Minister of Labour who said that, and I objected. The hon. member for Bonavista-Twillingate is always getting up on a point of order, but I think he is confusing the point of order which he is raising. He would not if he had been listening to what was said.

Mr. Martin (Timmins): I did in fact say the Minister of Labour, but the hon. minister has pointed out very well that he wants to be associated in no way with the Minister of National Revenue.

Mr. Starr: I said that I did not say that.

The Chairman: Order.

Mr. Martin (Timmins): I have always had a great deal of respect for the Minister of National Revenue for the fairness which he usually displays in this house, but much to my surprise he has, for the second time today, made it unmistakably clear where he stands with regard to this particular strike, and it certainly does not appear to me to be a neutral stand. Both hon. ministers, I think, have mentioned that they do not want to interfere. But we have had the example of cabinet ministers boasting in this house that they are very much in favour of one of their private members interfering. I refer, of course, to the hon. member for St. Lawrence-St. George. It would appear to me, Mr. Chairman, that this is resorting to the level of ward politics. Owing to the fact that both the Minister of Labour and the Minister of National Revenue appear to line themselves up definitely on the side of management in this particular dispute, it is for some of us to take up the position of the other side.

Mr. Starr: You are the ones to do it, the C.C.F.

Mr. Martin (Timmins): I have never yet seen any dispute where everyone was on the wrong side. If that was so there would be no dispute. Certainly if one side of this dispute is going to be defended by members of the cabinet, then certainly it behooves the other side of this dispute to have somebody champion their cause in this house. Personally, I do not want to take sides in this dispute. As I said before, the only thing I am interested in—and I think I can speak for the rest of this group—is to see that fairness prevails in this matter. I think that is the most important thing of all. I suggest once more that the government should not confuse interference and intervention. It appears to me that they seem to have some difficulty in keeping the definition of these two words apart. All that we have ever asked is that they intervene in this matter, not that they interfere. It appears that all they have done is to interfere, and have refused to intervene.

(Translation):

Mr. Caron: Mr. Chairman, it is rather extraordinary to note, considering the situation prevailing within the C.B.C. together with the numerous and pertinent questions which were asked by the members sitting on this side of the house, that not a single minister has deemed it proper to take the floor to convey at least the impression that he was interested in the settlement of this problem.

What happened when the hon. member for Timmins (Mr. Martin) took the floor to make a charge which was perfectly in order?

[The Chairman.]

The Minister of Labour (Mr. Starr) merely ran away, rather than try to control his temper a little longer.

No situation such as this had ever occurred in Canada. I am convinced that if the English network were in a similar situation, the ministers would rise and endeavour to settle it, but this problem here is secondary, for the simple reason that it is only the French network which is involved.

An hon. Member: Shame!

Mr. Tremblay: This is ridiculous. It is awful to say such things.

Mr. Pigeon: There is a fine example of national unity. Party before country, nothing else.

Mr. Caron: Is the hon. member saying "Party before country"?

Mr. Pigeon: Certainly.

Mr. Caron: When did the hon. member take the floor to defend the interests of his fellow-citizens in the province of Quebec?

Mr. Pigeon: We are doing it every day. We do take the floor; we do not remain in our seats as opposition members have been doing for 25 years.

Mr. Caron: Mr. Chairman, I admire those pointless utterances. They are the same people who, in the last election campaigns, claimed that everything would be settled once the Conservatives are in power.

Mr. Pigeon: You do not even know the constituency of Joliette-L'Assomption-Montcalm.

Mr. Tremblay: Ridiculous!

Mr. Caron: I know that the people from Joliette-L'Assomption-Montcalm are satisfied with mighty little.

Mr. Pigeon: Thanks for the compliment. You will regret that.

(Text):

Some hon. Members: Shame, shame.

The Chairman: I must remind hon. members that they must address the chair if they wish to have the floor. They cannot direct their remarks to another member who has the floor.

(Translation):

Mr. Johnson: Would the hon. member allow a question?

Mr. Habel: Sit down; you may talk later.

Mr. Caron: I have no objection.

Mr. Johnson: If I properly understood the hon. member for Hull, he said a moment ago that if the English network employees were on strike, the government would consider the problem, but that, since only the French network is concerned in this matter, the government is refusing to deal with it. Does the hon. member think he is expressing the opinion of the Leader of the Opposition (Mr. Pearson) in making such a statement in the house?

Mr. Caron: I am not speaking on behalf of the Leader of the Opposition; I am speaking in my own name, and I am expressing a personal opinion, as any member is entitled to do here. And, in order to prove that my argument may be considered as sound, for several weeks the strikers have unsuccessfully tried to negotiate and obtain interviews.

One day they even got a letter advising them that, if they were not back to work on a certain morning, they would be considered as having handed in their resignations. Immediately, English network employees sent in a letter of protest and the ultimatum was withdrawn. That one intervention on the part of the English network settled the situation, which proves that if the English network employees had been on strike, that important part of the population would not have been allowed to be deprived of the programs to which they were entitled. That is why I submit the ministers should intervene.

The hon. Minister of National Revenue (Mr. Nowlan) told us one day: "You blame us when we consider interfering in C.B.C. affairs." We recognize that the government has no right to interfere in C.B.C. programming or management, but when there is a labour dispute, when the corporation and its employees cannot reach an understanding, there has to be intervention from someone. And nobody is better qualified than the ministers to intervene in that field.

While a minister says: "We will not intervene because the strike is illegal", another declares: "We have to intervene because the strike is legal". One states: "I will try to do something", another states: "I will not commit myself, I do not know whether the strike is legal or not". What confusion! Those who are bound by ministerial solidarity are making a spectacle of themselves, in the eyes of all Canadians, as leaders who do not get along with one another. It is a very unfortunate situation for the country.

I submit that the Minister of Labour should intervene directly. Instead of leaving the house as he did a moment ago, he should have risen and answered the questions directed to him. Moreover, he should have told the house for what reason, if any, he failed to intervene or, if he intends to do so, why he is going to.

Some of those people are on the verge of starvation. Those people who probably used to get reasonable salaries lived according to their means, and after being on strike for several weeks, are now in need. And all this time the ministers are saying: "We will not intervene."

I suggest that those ministers are not living up to the responsibility entrusted to them and the oath they took, because they should be managing the country so that things might run as well as possible.

There they stand doing nothing, incapable of doing anything, because they don't like to see the labour group have the better on their creature, the Canadian radio organization. That is where the problem lies—

Mr. Johnson: Our creature?

Mr. Caron: Yes, Mr. Chairman, the new board is a creation of the new government.

Mr. Johnson: Is Mr. Andre Ouimet one of our creatures?

Mr. Caron: Those are the people who do not want to settle the situation. It seems to me that a minister of the crown should at least promise Canadians that the government will intervene in an attempt to settle the problem. The citizens of Quebec province, and French Canadians throughout the country, want their favourite programs back on the air. That is a matter of right, because they are paying their share of the expenses of all C.B.C. networks, and it is our contention that the present government has no right to let things go on in this way, and that it is its duty to intervene. Whether the Minister of National Revenue believes the strike to be illegal or not is beside the point. What we want is a network that will give us our favourite programs. In my view, the minister has a duty to speak up; he has a duty to act, and under the circumstances, I am surprised to see him remain silent in the face of so many demands from so many members of the house.

Mr. Tremblay: Mr. Chairman, I had not intended to get involved in this debate triggered by the supplementary vote requested

by the hon. Minister of Finance (Mr. Fleming). However, all day long we have been hearing various speakers, always on the same side, voicing all kinds of complaints on the dispute now involving the C.B.C.

Mr. Chairman, I need not repeat the statement I made the other day, that I am in favour of the right of association, of good order, and of justice in disputes of all kinds. I need not repeat that I am extremely anxious to see this dispute settled to the benefit of the parties concerned. However, I cannot understand, nor indeed can I accept, that Liberal and C.C.F. members should try, in a dispute that has some tragic overtones, to appeal to racial prejudice and seek to interpret this dispute as a racial issue. That is not according to the facts.

The dispute is between the C.B.C. management on the one hand, and a group of C.B.C. producers on the other. It is not my responsibility to pass judgment beforehand on the legal and factual points involved. But in my view, there are ways of reaching an agreement without resorting to such demagogic methods as those used by the Liberal opposition today. There are ways, Mr. Chairman, of bringing things back to their true proportions, and of setting down the equation as it should be in this dispute. Negotiations have been started, and both sides have been trying to find a basis for agreement. Talks are now under way, and the statements of Liberal members might well have damaging effects on these negotiations.

Mr. Chairman, I do not understand why members are attempting today to jeopardize those negotiations by raising the most damaging issue in the circumstances, the racial issue. I am a French Canadian, just like the hon. member for Hull (Mr. Caron). Just as much as he does, I would like the French network to resume its programs. But I do say as forcibly as I can that I cannot understand why the ministers of our government should attempt to make of this dispute a racial issue. Those are not the matters under consideration. It is a problem of normal demands made by employees to an employer. That is the true problem and the one the government is trying to settle at this moment is the problem placed on that basis. On the one hand, we have workers who are demanding satisfactory working conditions and, on the other hand, an employer, the Canadian Broadcasting Corporation, which must safeguard its own interests and, at the same time, be fair to its employees. That is the problem in its true light.

[Mr. Tremblay.]

I do not think, Mr. Chairman, it is necessary to get into a bitter discussion on a nationalist theme. This is just another scheme of the Liberal party which, for years, has contrived to split Canada in two camps, the Anglo-Canadians and the French-Canadians, so as to make use of this disunity for electoral purposes. Mr. Chairman, it is time to put an end to this game, and that extremely respectable problem be no longer used for electoral purposes.

In 1958, the province of Quebec has replied quite clearly to this question asked by the Liberals: "Do you still want a political party that is against the province of Quebec?" It was finally understood in 1958 that the Canadian political problem did not lie in this bitter quarrel between two ethnic groups. It is wrong, in regard to the C.B.C. dispute, to try to revive old ghosts and old buggaboos. Mr. Chairman, these people have been trying for weeks, by all kinds of insidious, malicious and dishonest questions—

Mr. Caron: On a point of order, Mr. Chairman. A member has no right to say that the questions asked in this house are dishonest; it is like saying that the question asked is infamous and the member for Roberval has just said that these questions are dishonest.

Mr. Tremblay: Mr. Chairman, if the word—

Mr. Caron: He should withdraw his words. I would like to have a ruling.

Mr. Johnson: The hon. member has made his point of order.

Mr. Habel: One moment, please. You are not the Chairman.

The Chairman: The hon. members taking part in this debate should be more careful in the choice of adjectives they are applying to their colleagues. I do not think the hon. member for Roberval had any one in particular in mind when he said that the questions asked were dishonest. Consequently I cannot ask him to withdraw his statement, since the adjective he used was aimed at nobody in particular. However, I would invite the hon. member for Roberval and others to be more moderate in their speeches.

Mr. Tremblay: Thank you, Mr. Chairman. I was saying that the opposition members have, for the past few weeks, been following a line of insidious questions, in the full sense of the word, and they have tried to divide once more the province of Quebec.

As I said, that is not the essence of the dispute. This problem involves workers and employers who are trying to find a fair formula. That is the heart of the matter.

This afternoon I heard the hon. member for Dollard (Mr. Rouleau)—I did not rise to challenge his words—trying to make us believe, despite all the endeavours made by this government to bring the parties to a fair settlement, that the credit for the prospective settlement is due to the hon. member for Laurier. The other day, Mr. Chairman, I referred to the conversion of the hon. member for Laurier. Today, they want to try to canonize him.

Mr. Chairman, I do not believe that to bring about dissensions on a nationalistic issue is a normal or a fair approach to the solution of a dispute.

Mr. Chevrier: What do you know about settling disputes?

Mr. Tremblay: Mr. Chairman—

Mr. Chevrier: What do you know about settling disputes?

Mr. Tremblay: —when I heard those noises, Mr. Chairman, I was going to say that the reason I did not rise earlier is that I had sensed the political motives underlying the attitude of our hon. friends in the opposition.

The hon. member for Laurier asks me how much I know about labour relations. He could very well put this question to himself. Mr. Chairman, I have sufficiently studied—

Mr. Chevrier: Are you asking me?

Mr. Tremblay: —that question to be in a position to give my opinion without prejudice to the rights and facts. The statement I want to make once again is that we, Conservative members for the province of Quebec, do not see any racial aspect in the C.B.C. dispute and I say again that I fail to find, in particular, the attitude that has been attributed this afternoon to the government ministers.

I trust that the dispute will soon be settled to the satisfaction of all interested parties, but I feel that there are in this dispute certain factors difficult to ascertain and it consequently calls for serious study.

In the past few weeks, we—and I include myself—met with some of the C.B.C. people —some of the producers, in other words— who explained their attitude. We listened to them with interest and sympathy. For my part, I have been attempting for weeks, by all the means at my disposal, to help settle this dispute whose dire consequences I fully appreciate.

I am sure the co-operation of truly disinterested persons will bring about the settlement called for by our friends in the opposition, and for which they hope to be unjustly credited.

Mr. Robichaud: Mr. Chairman, the member who has just resumed his seat said at the beginning of his remarks that all remarks had come from one side of the house. It seems to me that he overlooked the fact that the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) also took part in the debate. Moreover, I hope he was in his seat when the hon. Minister of National Revenue (Mr. Nowlan) answered the questions which were put to him. As for the Minister of Labour (Mr. Starr), who certainly did his share of interrupting, he did so until such time as he could no longer control his temper, after which he ran away. The hon. member for Roberval (Mr. Tremblay) was also heard digging political arguments in the Duplessis way. The last two election campaigns were shot through with Duplessis politicizing.

The Chairman: I would point out to the hon. member for Gloucester that his statement to the effect that the hon. Minister of Labour ran away is not quite in order. I would ask him to tone down his language, and also to stick to the point without getting involved too deeply in provincial matters.

Mr. Robichaud: Mr. Chairman, I thank you. I shall change my phrase and say that the Minister of Labour did not remain in his seat.

Mr. Chevrier: He left in a hurry.

(Text):

Mr. Robichaud: The way this question has been handled by the government is a pure example of the confusion and indecision of the present government in the adoption of its policies. One minister said the strike is legal while another rose and said it is not legal and the Minister of Labour on his part said he would not interfere. All these hon. gentlemen are absent from the house at this moment while this most important question is being discussed.

The Chairman: Order. It being 5 o'clock it is my duty pursuant to standing order 15 to

rise, report progress and ask leave to sit again later this day or at the next sitting, as the case may be.

Resolutions adopted in committee of supply this day reported, read the second time and concurred in.

PRIVATE BILLS

WATERLOO MUTUAL INSURANCE COMPANY

Mr. O. W. Weichel (Waterloo North) moved the second reading of Bill No. S-4, to incorporate the Waterloo Mutual Insurance Company.

He said: Mr. Speaker, as the sponsor of Bill No. S-4 I should like to provide the house with some background information and the reason for the application made by the Waterloo Mutual Fire Insurance Company. The Waterloo Mutual Fire Insurance Company, one of the earliest of the Canadian insurance companies and the first company in Waterloo, was incorporated under the statutes of Upper Canada in the year 1863 and has continued actively in the insurance business during the past 95 years.

The company's activities are, by the nature of its incorporation, confined to the province of Ontario and the company, which now has a premium income of over $3 million annually, has probably covered the field well in Ontario and desires authorization to do business in the other provinces of Canada. That, however, is something for the future. The immediate reason for seeking dominion incorporation is to bring the company under dominion registration and inspection by the federal department of insurance. This is because the company would then have a much better standing with regard to securing reinsurance from other dominion licensed companies as it would then be subject to the same inspection.

However, probably the most important reason is due to the fact that many of our life insurance companies and most of the United States insurance companies taking mortgages in Ontario refuse to accept the policies of provincially registered companies on their mortgage loans. They more or less take the stand that they are dominion registered companies and any fire insurance companies insuring buildings on which they make mortgage loans should also be dominion registered and subject to the same inspection. This has caused the company considerable loss of business and cancellation of policies on very good fire insurance risks and has impelled the company to take this step at this time.

[The Chairman.]

As you may well know, Mr. Speaker, the city of Waterloo in my constituency, the home of this company, is best known as the Hartford of Canada. As a young boy I marvelled at the expansion of the insurance business in our city. From year to year, through the fine efforts of many outstanding citizens, the insurance companies have grown tremendously so that today Waterloo has within its borders the head offices of six insurance companies employing 1,500 people, all of whom are doing splendid work in their particular departments. I might mention that the total assets of these companies exceed $750 million.

It is a well-known fact that no other city in Canada has such a large percentage of its economic activities embodied in the insurance business. These companies, through good management and fine assistance received from all employees, have been able to cover the length and breadth of Canada and also to establish branches in many foreign countries. Much more could be said about the company concerned in the bill but I feel that I have given the essentials and I ask for your kind approval of the application.

Mr. Regier: On a question of privilege, Mr. Speaker, I believe it is common courtesy that when members of the House of Commons have not received copies of a bill that bill is not proceeded with until such time as we have received our copies. Perhaps the member would like to move the adjournment of the debate. I think that would take us out of the predicament we are now in because we can hardly be expected to participate in the debate when we do not have the bill. I have here the file of the bills from the other place and as you can see it is completely empty. I also do not see this bill in the file of House of Commons bills. I am not necessarily opposed to the bill before us.

Mr. Pallett: I wonder whether the hon. member who has just spoken would like to move the adjournment of the debate?

Mr. Regier: I move the adjournment of the debate.

On motion of Mr. Regier the debate was adjourned.

LISE NOLET LUNGHI

On the order:

Second reading of Bill SD-1, an act for the relief of Lise Nolet Lunghi.—Mr. McCleave.

Mr. Speaker: As there are eleven divorce bills standing for second reading is it the wish to have these bills taken in one motion?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Mr. R. J. McCleave (Halifax) moved that the following bills be read the second time:

Bill SD-1, for the relief of Lise Nolet Lunghi.—Mr. McCleave.

Bill SD-2, for the relief of Margaret Stewart Cairns Bamber.—Mr. McCleave.

Bill SD-3, for the relief of Gertrude Czerny Thomschitz, otherwise known as Gertrude Cznery Thomas.—Mr. McCleave.

Bill SD-4, for the relief of Miriam Hirsh Leff.—Mr. McCleave.

Bill SD-5, for the relief of Phyllida Fairbairn Smith Draper.—Mr. McCleave.

Bill SD-6, for the relief of Janos Sztecsinics, otherwise known as Jean Sztecsinics.—Mr. McCleave.

Bill SD-7, for the relief of Margaret Craig Murdoch.—Mr. McCleave.

Bill SD-8, for the relief of Nita Stella Pollock Adams.—Mr. McCleave.

Bill SD-9, for the relief of Enis (Ines) Vit Desnoyers.—Mr. McCleave.

Bill SD-10, for the relief of Helen Elizabeth MacDonald Downey.—Mr. McCleave.

Bill SD-11, for the relief of Silvia Frederike Diethilde Beate Angela Buchsel Fatter.—Mr. McCleave.

He said: Mr. Speaker, these form the first of a considerable number of bills of a similar nature which will come before us throughout the remainder of the session. It is anticipated now that approximately 275 to 300 divorce bills from the provinces of Quebec and Newfoundland will be presented to the House of Commons over the next six or seven months. Because of the number of cases involved it might be of interest if I, as the sponsor of these bills, were to make a brief statement of some of the principles involved. As the House of Commons knows, although the people of the country are perhaps not completely aware, in dealing with divorce cases in parliament we are in fact exercising a judicial function, taking evidence, weighing it and determining upon it, applying proper legal principles and then adjudicating whether the party seeking relief should have the relief that is applied for.

Because we are a judicial body in a sense but also because as members of parliament we have legislative duties, it sometimes happens that petitioners who ask parliament for relief confuse our functions and make what I would call improper approaches within the House of Commons looking for divorce relief. It came to the attention of the members of the committee dealing with divorce last year that several petitioners had entered the parliament buildings and in effect had become lobbyists on their own behalf. At the very outset I think we should issue in the House of Commons, and I hope through the medium of the house to such petitioners, a clear warning to petitioners that they should leave us alone in the carrying out of our judicial functions. Two approaches were made to myself personally last year and on both occasions I almost had to throw the people involved bodily from my office. I have also had complaints from other members of parliament that they, too, have been approached by a petitioner or by the respondent who was defending the action. This is entirely improper, Mr. Speaker, and it strikes at the judicial functions that I and the other members of the committee are called upon to perform, as well as the functions of the House of Commons, for the House of Commons has to pass upon the work of the committee.

I am going to make this statement, therefore, which I hope will remove this evil about which I have been speaking for the past few minutes. This has nothing to do with my position on the committee, but as the sponsor of the bills. If I am offered reasonable proof that anybody has lobbied in parliament concerning the passage of a divorce bill I shall refuse to move the adoption of that bill in the House of Commons. I suppose, Mr. Speaker, there is a natural inclination for people who have troubles which come before parliament, and the people of two provinces do have to bring their matrimonial problems to us, to say, well, I have a member of parliament and I have dealt with him on almost everything else affecting the federal government, therefore I shall deal with this member in connection with this divorce. However, the situations are not the same. We are exercising a judicial function when we deal with these divorce petitions and for that reason we must be in the position of judges who are dealing with these matters in their own courts, free from being approached or importuned by any source whatever. I shall, therefore, repeat the warning, that if anybody comes to parliament and lobbies on behalf of one of these parties to a divorce action, and this brought to my attention by any hon. member, I shall not move the adoption of the bill in any of its stages in the house.

I think it would also be well to set forth one other matter that caused concern in the past year and might also cause concern again, and that is the right of people to come to parliament to petition for these

divorces. In general, it is a right given to the people from the province of Quebec and the province of Newfoundland. The other provinces have their own divorce courts. There may be certain exceptions because, as the lawyers in the house know, cases should be brought in the province which is the domicile of the husband, but in the case of desertion this law is relaxed slightly. It has happened from time to time, and it will probably happen again, that people who should bring their actions in Ontario or New Brunswick come to parliament and ask for divorce because they may, perhaps, have resided in Ontario and Quebec or in Quebec and New Brunswick and so the question of domicile is difficult to determine.

There has been at least one case before parliament in recent years, in which action clearly should have been brought before the Ontario Supreme Court, yet it was brought to the Senate and the House of Commons, the two houses that are already overburdened with other duties. Perhaps it would be of benefit to the lawyers who are guilty of this sloppy practice if I were to put on the record some remarks appearing in Beauchesne's Parliamentary Rules and Forms, fourth edition, page 336, citation 456. It reads:

> The ancient rule as to petitioners for private legislation was laid down by Mr. Francis Palgrave before a special committee of the British house on the 22nd of June, 1832. The principle was, said he, that no person should come before parliament as a suitor, or trouble it, if, on the face of his petition, he could have his right at home. If there were any other mode of obtaining redress, he was not to apply to parliament, but, if from the insufficiency of the law or any other similar cause, he could not obtain redress, then the supreme court of parliament was to give him a speedy and effectual remedy.

I think that is the practice that should be followed. People who have cases that could be heard in Ontario, for example, should not burden us with them. It might also be of interest at this particular time, when we are facing another busy schedule of dealing with these cases, to consider the exact numbers that have been brought before parliament in the last decade. For members who are interested, I refer them to the *Journals* of the Senate for 1958, and the special report of the standing committee of the other house on divorce presented at pages 370 and 371. I shall quote some figures from that report. Since 1950, inclusive of that year, to the end of last year, parliament has considered 3,108 divorce cases. This works out to an approximate average of 345 per year. These cases concerned applicants from the province of Quebec and the province of Newfoundland.

The divorce rates are set forth in that interesting report. We find that the national divorce rate per 100,000 of population, granted in Canada in the year 1957, was 40.3. Here are the rates by provinces: Newfoundland, 1.4; Prince Edward Island, 2.0; Nova Scotia, 35.6; New Brunswick, 36.5; Quebec, 10.9; Ontario, 50.8; Manitoba, 35.5; Saskatchewan, 27.5; Alberta, 62.6; and British Columbia, 104.8. The two provinces whose residents do have to come before us for relief rank first and third for the lowest rate of divorce, with Prince Edward Island in between. This gives some idea of the scope of the problem.

If I may, I should like to very briefly refer to the judicial principles that guide the committee of this house, or have guided it in the past and I presume will guide it in the future, in determination of these cases. We have not acted arbitrarily or on whim, Mr. Speaker, in determining the grounds upon which applicants will receive their relief. A body of law and a body of practice has grown up, set down in the rules of the other place and of this house, and apparently taken from the province of Ontario.

The matter of the burden of proof in these cases has been one which has given anxiety over a good number of years. It was dealt with last year in some spirited debates in this chamber. I thought I might refer to it again because, either through my own inadvertence or failure to make myself clear, a remark got on *Hansard* which would suggest that I said the burden of proof in these cases is that which pertains in criminal actions. This is not so, Mr. Speaker. The burden of proof was set forth in the Smith v. Smith case in recent years in the Supreme Court of Canada. That court emphatically rejected any notion that proof of adultery must be beyond a reasonable doubt. Instead, the court came to the conclusion—and I believe these are the principles that are followed in determining cases that are before us today and the other ones that will come before us later—that it would adopt the principle used in civil actions, namely the balance of probabilities: was it more probable that such and such an event happened or was it more probable that it did not happen?

In these cases, Mr. Speaker, the members of this house are continually baffled, perplexed and made angry by the so-called hotel and motel cases. If a man and woman have left their homes or their places of residence and have gone to one of these resorts, usually of the cheaper type, and there are found together, for a long time it has apparently been assumed that they had gone there for the purpose of committing adultery. There is reason to believe in Canada today

that this old fashion has changed and that a good number of these people go to the hotel and motel for the purpose of rigging up evidence in order to get a divorce.

Since none of us is a human lie detector and since we suffer all the perplexities that human flesh can suffer in trying to determine whether we are subjected to fraudulent evidence or cooked up cases, I and other members of the committee are left in a great deal of doubt about some of these cases. About 30 per cent perhaps of the cases that will be decided this year are cases of exactly that type.

By way of reflection I throw out this suggestion. Until one can read the human mind it is extremely difficult to know when parliament is being imposed upon. However, I say this. If in past years it is assumed that these people have gone to these hotels and motels for their own particular pleasures, there may yet grow up a presumption in the law—and if it does grow up, I am sure it will be applied by the committee of the other place and by the committee in this place—that these people have gone there for the purpose of obtaining divorce evidence. I have heard of such cases although I cannot say that I have heard of them in reference to anything that has come before us. However, I know the temper and the mood of some of our members and of their resolve, if they can find that such a practice exists, to get at it and stamp it out. With these few observations, Mr. Speaker, I conclude my remarks in moving second reading of the first group of divorce bills.

Mr. H. F. Jones (Saskatoon): Mr. Speaker, I should like to ask the hon. member for Halifax (Mr. McCleave) a question arising out of some remarks he made. In asking this question I want to assure him at the same time of the high respect and great esteem all the members of this house have for him for the way in which he performed his duties last year. I think the job he did, not only for the committee but for the house as a whole is one that is remembered with great appreciation by the members of this house.

However, Mr. Speaker, I feel that the remarks he made with regard to lobbying need some clarification. That is why I rise at this time to speak in respect of that problem. I certainly agree that lobbying by parties to a divorce case must be discouraged in the most vigorous manner that can be adopted. At the same time it seems to me that the statement made by the hon. member for Halifax could be clarified a little bit by him in this respect. I am sure that neither he nor any other member of this house would like to see a petitioner in a divorce action put in a position in which his petition was not going to be introduced into this house because a party on the other side of that divorce action conducted lobbying practice in respect of it. I hope, and I believe I can say that I can expect, that the reply of the hon. member in that regard will be that the petitioners will not be penalized by the activities of those who are opposed to them in these divorce actions because, of course, that would operate as an automatic barring of the suit.

The second question I should like to raise at this time in connection with the remarks of the hon. member for Halifax is with regard to this business of hotel and motel evidence. Any lawyer who has had experience in this business in the divorce courts realizes that much of the evidence must necessarily arise out of incidents which take place in locations other than the home of the respondent. Certainly the experience of the divorce courts has been that those who stray from their marital duties are more likely to do so outside of their own home and in hotels, motels and other places of that nature. I would be much opposed to the creation of any assumption on the basis that if the evidence disclosed that the offence has occurred in such a place, there would be a presumption against the reception of such evidence. I am sure that the hon. member for Halifax meant his statement more as a warning to those who might try to indulge in that practice. I am sure that the better position would be to examine carefully on its merits all the evidence that is received. Then, if it should be found that the evidence, no matter in what location the alleged event took place, was collusive or was the result of connivance, that evidence would be rejected and indeed in those two instances the petition itself would be rejected. I would be very much averse, Mr. Speaker, to a situation arising where there was a presumption in regard to evidence arising out of the mere location of the alleged offence. I had hoped that the hon. member for Halifax might have dealt with those two points.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I think I speak for the house in expressing appreciation of the work that the present chairman of the miscellaneous bills committee has done. I would say in addition that the previous chairman, the hon. member for Spadina (Mr. Rea), also did an exceptionally good job on this very difficult committee. I would also like to express appreciation for the explanation that the chairman has given of some of the problems that faced this committee.

Last year I had the privilege, if it can be considered that, of sitting on this committee,

and I think that parliament must take a very close look at what does go on in this committee. We have heard from the chairman many of the directions which have been given in this important matter of granting divorces in provinces which have not seen fit to make a divorce available in any other way. This has caused a great problem, because I do not think that parliament was constituted—certainly this chamber was not constituted—in such a way that we are able to handle these divorces, with the many problems which arose last year.

I would like to echo the warning given by the chairman in his remarks directed to this matter concerning the accusations which have been made with regard to certain cases. There are a number of members of parliament who have sat on this committee who have been accused, publicly and privately, of having accepted rewards for the way they handled one particular case. I think that is a thing which should not be allowed to happen, and the committee should not be placed in such a position where that sort of thing can be even hinted at. I do not think there is any reason to deny or explain the charges or countercharges in these particular cases. I think that when the committee is directed to sit, part of the direction from the house must be that an investigation should be conducted by this committee to eliminate some of the problems which the chairman has outlined.

This committee was not able last year to hear evidence in a proper manner with any recourse to the due process of law. I think this was an oversight in the constitution of this committee, which could be remedied by direction of the house to this committee to investigate the problem and make recommendations to the house. I think we are all in agreement that the chairman has had this in mind in the work he has done in looking into the problems which have faced this committee and past committees for quite a number of years. It now becomes the problem of the house not just to pass these en bloc, but to give some direction as to how they can be better processed so that all the people involved, both the respondents and the plaintiffs, get a much fairer deal than they do under the haphazard method we have had to use in the past.

It has always been the contention of this group that this is not a function of parliament but is something which has happened because of our constitution. It is something which we have been faced with, and is something that we should be able to solve ourselves much better than it has been hitherto solved.

[Mr. Peters.]

It may be interesting to note that in the figures which the chairman gave Quebec had only 10.9 per cent of the national average. What would happen if the province of British Columbia were to bring its divorces here? We would probably be sitting the other four months of the year handling divorce cases. This group, on numerous occasions, has outlined its many suggestions for ridding parliament of this particular problem. I think that in the discussions of the committee last year there were several new and unique methods suggested to eliminate some of the problems. One of them, to which I think the committee could give some consideration this year, was the matter of asking the courts in the province of Quebec, while not asking them to grant divorces to decide if adultery had been committed. This would mean that they would hear the evidence; they would make that decision, and when these cases come to parliament we would be assured by the province of Quebec that their courts had made a decision, and that adultery had been indicated to their satisfaction. Parliament would have no problem then in passing these bills at the end of the year, whether they be 400, 500 or 1,000. There would be no problem with them. I think this is a suggestion that could certainly bear some study.

I think the chairman will agree that in some of the cases which came to parliament there was evidence of separations and other civil litigations, and they had enough evidence that the charge of adultery had been proven to the satisfaction of the court hearing those other litigations. I think these are cases which should be borne in mind, and in my opinion, unless this parliament is willing to decide that the members of the committee should be able to make a more honest decision, a decision based on fact and not on party lines, as one of the cases was decided last year, then I think parliament is not going to do itself any service.

The reason why I say that this was decided on party lines is that one case came before this house, and the recommendation of the committee was that it was not a good case, that a divorce should not be granted, and it was recommitted from the floor of the house and sent back. I do not think I need go into the reasons why it was sent back. Those allegations were never presented, never proved, never even offered, and as you know when the case came back it had the support of several of the parties. I suggest that parliament has an obligation, at least to its members on the committee, to give some direction which during this session will solve these problems, so that many of the faults which the chairman has just outlined can be taken care of.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, as one who has served on the committee on miscellaneous private bills for a number of years, I would like to add one or two observations to those made by the hon. member for Halifax (Mr. McCleave), and by those who spoke after him in this debate. The handling of these divorce bills is, I think, perhaps one of the most difficult duties, perhaps one of the most distasteful duties, that any member of parliament may be called upon to perform. As the hon. member who has just taken his seat pointed out, we are charged with a tremendous responsibility to this house. We are also charged with a tremendous responsibility to the people whose fate we decide. Those responsibilities can be decided only by an honest assessment of the facts which are laid before us. I for one, Mr. Speaker, have felt that the way that our present committee is constituted under its terms of reference and the regulations by which we are governed is such that we are handicapped in performing that duty.

The hon. member for Halifax has pointed out one very important aspect of this problem, namely the tremendous increase in the number of divorces dealt with by this committee —such a large number that members of the committee must pass judgment on them without having time or opportunity to get even a bare acquaintance with the facts of the individual cases. Perhaps we salve our consciences in this respect by saying that these cases are not disputed and that we are merely regularizing situations which have been existing for a number of years, and making everybody happy. That may be so, but there is another way of looking at the question.

We are also faced with the situation that the more difficult cases are disputed, and in this respect we find the committee divided into different categories. Some of the members have legal experience and are prone to consider cases from a legal point of view. Others of us are humanitarians, not so much concerned, perhaps, with the legal or administrative niceties as with the effect upon the human beings concerned of decisions which may be taken. There is also the problem of having before us parties neither of whom the committee can believe. It becomes, then, a matter of trying to decide who is telling the least number of falsehoods. We must also look at the cases from the point of view of guilty parties and innocent parties. According to the law, one of the parties has committed adultery. Whether the other party has committed adultery or not is not known; he is not faced with the accusation, and it has not been proven. So he is innocent. It adds up to this: any decision we make is more likely to be a matter of chance than of a mathematical assessment of the facts.

Perhaps this cannot be helped under the present set-up, but I do think something could be done to place the committee in a more favourable position. For instance, certain changes might be made in our terms of reference and in the rules which govern our handling of these cases. Perhaps another committee should be appointed, a committee with a special set-up and suitable terms of reference and regulations to enable it to deal with this problem. I understand that the committee on miscellaneous private bills was constituted for a purpose very different from what appears to be one of its main purposes now. I think the solution I have indicated will be the best solution. Certainly, the committee should be empowered to take further steps to ascertain the true facts, where such a course is deemed necessary and particularly where it is thought that none of the witnesses is telling the truth. At present we have no power to subpoena witnesses; we have no power to force people to appear before us. Moreover, we cannot take any action with regard to the financial aspect of these cases or with regard to the travelling expenses involved, as can be done in the other place. We are further handicapped in that we must arrive invariably at one of two decisions.

Perhaps this is not the time at which I should refer to the manner in which the committee should be constituted. I did think, however, that it would be timely to broach the subject now in order that the government might give some thought to whether it would be advisable to alter the rules which govern this committee or at least to set up a separate committee which would give us a better chance of doing the job we should like to do.

Mr. Speaker: May I say that I have permitted a fairly representative discussion of the procedural problems, though they are really not relative to the issue before the house, because this is the first time divorce bills have come up this session and because there appears to be a desire to discuss the problems which the house faces in this connection. However, I do not think the discussion should be continued indefinitely because, after all, we have before us 11 or 12 bills to consider and the debate is on these bills and not on the general question of procedure.

Hon. Howard C. Green (Minister of Public Works): May I say in connection with those remarks that in my judgment this debate is very helpful. This is certainly a very serious

problem and one which has faced the House of Commons for many years. We have the first lot of these bills before us today and I would suggest that in the circumstances it is not out of order to have some thought given to this whole question as has been done this afternoon in a very helpful manner.

After all, it is a very serious situation when the House of Commons is expected to spend hours dealing with these divorce bills and when a committee of the House of Commons spends other hours, all in a rather inefficient way, in my humble judgment. I do not see why there should not be freedom to discuss the problem in the house. I know of no other occasion when it could be discussed, other than on such an occasion as we find here this afternoon. If we are to be restricted simply to dealing with the facts of 12 cases we shall never work out a solution to this problem. The very fact that 11 or 12 cases are being taken en bloc today is, I suggest, a good reason why some general discussion should be permitted, and I do hope Your Honour will not rule that the debate on these bills must be restricted in the way which has been suggested. There have been very thoughtful speeches made this afternoon by hon. members of all three parties.

Mr. McIlraith: All out of order.

Mr. Green: I hear the hon. member for Ottawa West grumble that they were all out of order but, after all, he is not the Speaker of the house.

Mr. Benidickson: Or the leader of the house.

Mr. Green: I am just making a submission to Your Honour. I submit that in the circumstances the debate should not simply be chopped off in the manner in which Your Honour has indicated might be done.

Mr. Pickersgill: I wonder if I might say a word on the point raised by the leader of the house. I must say that I was troubled, as was Your Honour, by the fact that the normal business of the house was being disturbed by a debate which was wholly out of order. A member from each party has now spoken and I strongly support Your Honour in giving their rights to those members who prepare for the regular business as prescribed in the rules.

Mr. Green: This is regular business, just as much as any other business on the order paper, and I do not know what the hon. member for Bonavista-Twillingate means when he suggests that there are other measures which have a higher priority than those now being considered.

Mr. Pickersgill: I was merely suggesting that the rules be observed.

[Mr. Green.]

Mr. Bell (Saint John-Albert): All the time?

Mr. Pickersgill: Exactly.

Mr. Speaker: I took the view that this was a useful discussion—and undoubtedly the house was interested in it—but that we had had a fairly representative discussion. I thought that all the viewpoints had been expressed. To my mind it is clearly out of order to continue discussion at this time unless the house wishes to do so. If there is general agreement that debate can usefully be continued further I certainly would have no objection to that being done. But after we got to the point we had I thought it was desirable to make the precautionary remark I did. We all know we are not following the rules. If we wish to continue in this vein further there is no objection to it but I think it should be by general agreement that we continue.

Mr. M. D. Morton (Davenport): Mr. Speaker, in view of the most interesting discussion that has arisen this afternoon as a result of the remarks of the hon. member for Halifax (Mr. McCleave) I should like to refer to some things which if they have not been said have perhaps been on the verge of being expressed.

It is true in a sense that we exercise a judicial function when these divorces come before us. But we also have a legislative function in which, technically, we could grant a divorce even if the grounds on which divorce is usually granted were not there. In that way this house technically could give to the provinces concerned wider grounds for divorce than those obtained in the other provinces where divorces are dealt with judicially by courts that are established.

There is a serious anomaly in the situation where a divorce has been heard perhaps very carefully by the other place and then it is brought to this house through the committee on divorce by way of appeal. There is no agreement on the decision of the other place and the committee is confronted with the task of ferreting out the truth on the basis of the evidence to ascertain whether or not divorce should be granted. As I understand the rules, the committee of the House of Commons has not the power to call witnesses except by arrangement with the solicitors concerned. If an arrangement is arrived at the witnesses appear before us and the evidence is heard in a proper fashion. That is a serious weakness, if we are to observe the function judicially as it has been set out. It is not always enough to read the evidence as it appears on paper because in many cases where a doubt exists as to the evidence it is

necessary to see the parties to the action in order to judge whether or not they are telling the truth.

Another weakness in the present system of dealing with divorces arises from the fact that appeal hearings may continue for more than a day. Members serving on the committee have other commitments and it is not possible for all members to remain at the hearing from beginning to end. This makes it difficult to reach a decision. It is difficult to come to a conclusion when one has heard only part of the evidence. That is another weakness in the present method which, as the Minister of Public Works (Mr. Green) has said, is a rather inefficient method of dealing with the question of divorces.

I believe the entire system is rather cumbersome. Serious consideration should be given either to setting up a judicial committee of the other house and let it deal finally and ultimately with divorce cases without their being referred to the House of Commons at all or to establishing a special court like the Supreme Court of Canada to deal with cases of this kind anywhere in the country, if they cannot be sent to the Exchequer Court because it is already overburdened. To do so would allow this house to devote its entire time to dealing with those matters with which it was designed to deal.

In this question, however, there exists something more than the application of logic because it concerns the feeling and convictions of certain people toward divorce. As is inevitably the situation when strong public or individual convictions are involved one cannot always come to a logical conclusion. Surely, however, we are approaching a sense of maturity in dealing with this problem. Surely it can be dealt with more logically than is the case at present. Hon. members who are elected to deal with national problems should not be required to spend time dealing with matters of divorce, important as they may be to the people concerned.

I would like to again emphasize the concern some of us felt last year when we did attempt to come to a judicial decision with respect to these cases. There were some individuals who felt that they had sufficient pull to be able to change the decision of the committee. That condition will always exist so long as divorce is handled in this way. People tend to mix the dual functions of members of parliament who sit in one instance judicially and in another instance legislatively. They feel they can approach their member of parliament and ask that their views be considered. If any party to a legal action were to go to a judge and ask that his position be given favourable treatment it would be a sure way of losing his case. I am glad that the hon. member for Halifax sounded the warning he did this afternoon.

All hon. members regardless of party affiliation or provincial representation should consider this problem in a mature way and attempt to reach a solution that would benefit not only this house but all parties concerned.

Mr. R. J. McCleave (Halifax): Mr. Speaker—

Mr. Speaker: I must inform the house that if the hon. member for Halifax speaks now he will close the debate.

Mr. McCleave: Mr. Speaker, may I call it six o'clock?

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I wonder if the leader of the house would indicate what business we may expect for next week. I take it that the government intends to go ahead with the motion to go into supply on Monday and Tuesday but it would be helpful to know what would come after that if it is possible for the house leader to tell us.

Mr. Green: That is the intention, Mr. Speaker. Wednesday will be a government day. We will commence with the supplementary estimates and then continue with the resolutions on housing, the trans-Canada highway, the Northwest Territories Act, the National Defence Act and the Fisheries Improvement Loans Act. I cannot say in what order we will proceed other than that the National Housing Act resolution will follow the supplementary estimates.

Thursday is the last private members' Thursday. There is some doubt as to the order of business for Friday but we may take estimates. I shall advise hon. gentlemen opposite at as early a date as possible.

Mr. Pickersgill: I thank the house leader very much.

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

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

DEPARTMENT OF AGRICULTURE

Special—

699. Prairie Farm Assistance Act administration—further amount required, $225,000.

BOARD OF BROADCAST GOVERNORS

700. Salaries and expenses of the board, $72,000.

HOUSE OF COMMONS

Monday, February 9, 1959

The house met at 2.30 p.m.

PRIVILEGE

MR. MCPHILLIPS—REPORTED STATEMENT BY LEADER OF THE OPPOSITION

Mr. A. D. McPhillips (Victoria, B.C.): Mr. Speaker, I rise on a question of privilege, and I do so at the earliest possible opportunity. This matter of privilege concerns certain statements attributed to the Leader of the Opposition in the Ottawa *Citizen* of February 7 under the by-line of J. A. Hume, *Citizen* staff writer. If the Leader of the Opposition did say these words they constitute a frightful insult to members on this side of the house. These are the remarks attributed to him and which refer to members on this side:

—it is the cold gray dawn after their electoral debauch.

Mr. Speaker, I think even an ordinary knowledge of the English language is sufficient to indicate that the word "debauch" denotes moral turpitude of some kind, and usually gross moral turpitude. As I said before, this is a frightful insult to the members on this side of the house. If the Leader of the Opposition wishes to remain in his seat, Mr. Speaker, I suggest that he should make an immediate and full apology.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, speaking on the question of privilege I should like to assure the hon. gentleman at once that I did not have moral turpitude in mind. I had in mind only political turpitude.

STANDING COMMITTEES

Mr. John Pallett (Peel) presented the report of the special committee appointed to prepare and report lists of members to compose the standing committees of the house, as follows:

PRIVILEGES AND ELECTIONS

Messrs.

Aiken
Barrington
Beech
Bell (Carleton)
Bell (St. John-Albert)
Benidickson
Carter
Deschambault
Dinsdale
Flynn
Fraser
Grills
Hardie
Henderson
Howard
Johnson
Kucherepa
Macquarrie
McBain
McIlraith
Meunier
Nielsen
Ormiston
Paul
Pickersgill
Richard (Ottawa East)
Tassé
Valade
Webster—29.

(Quorum—10)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messrs.

Allmark
Asselin
Badanai
Baldwin
Batten
Bigg
Bourbonnais
Brassard (Lapointe)
Brunsden
Cadieu
Campbell (Stormont)
Chevrier
Chown
Creaghan
Crouse
Dupuis
Drysdale
Fisher
Fraser
Frechette
Grills
Hardie
Horner (Acadia)
Horner (Jasper-Edson)
Howard
Howe
Johnson
Keays
Kennedy
LaRue
MacInnis
MacLean (Winnipeg North Centre)
Martin (Essex East)
Martini
McBain
McDonald (Hamilton South)
McMillan
McPhillips
Michaud
Monteith (Verdun)
Nielsen
Nixon
Pascoe
Payne
Phillips
Racine
Richard (Kamouraska)
Rouleau
Rynard
Small
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Tassé
Taylor
Thompson
Tucker
Webster
Wratten—60.

(Quorum—20)

MISCELLANEOUS PRIVATE BILLS

Messrs.

Anderson
Baldwin
Batten
Beech
Bigg
Broome
Campbell (Stormont)
Carter
Chown
Danforth
Fairfield
Forbes
Forgie
Garland
Horner (The Battlefords)
Houck
Kennedy
Knowles
Lambert
MacEwan
MacLean (Winnipeg North Centre)
Macnaughton
Mandziuk
Martin (Timmins)
Matthews
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McIlraith
McIntosh
McMillan
McPhillips

Standing Committees

McWilliam
Milligan
Mitchell
Monteith (Verdun)
More
Morton
Nixon
Ormiston
Peters
Robinson
Rogers
Simpson
Smith (Lincoln)
Smith (Simcoe North)
Stefanson
Webster
Wratten—50.

(Quorum—15)

BANKING AND COMMERCE

Messrs.

Allmark
Asselin
Bell (Carleton)
Bell (St. John-Albert)
Benidickson
Brassard (Chicoutimi)
Cardin
Cathers
Chevrier
Coates
Creaghan
Crestohl
Deschambault
Drysdale
Dumas
Flynn
Fraser
Gour
Hanbidge
Horner (Acadia)
Jones
Jung
Lambert
MacLean (Winnipeg North Centre)
MacLellan
Macnaughton
Maloney
Martin (Essex East)
McIlraith
McIntosh
More
Morissette
Morton
Nugent
Pascoe
Pickersgill
Regier
Robichaud
Rowe
Rynard
Slogan
Southam
Stinson
Tassé
Taylor
Thomas
Thrasher
Walker
Winch
Woolliams—50.

(Quorum—15)

PUBLIC ACCOUNTS

Messrs.

Badanai
Bell (Carleton)
Benidickson
Bissonnette
Broome
Bourget
Bruchesi
Campbell (Lambton-Kent)
Campeau
Charlton
Chown
Crestohl
Denis
Dorion
Drysdale
Fraser
Godin
Grenier
Hales
Hanbidge
Johnson
Keays
Lahaye
Lambert
Macdonald (Kings)
Macnaughton
Martin (Essex East)
McGee
McGrath
McGregor
McMillan
Morissette
Morris
Morton
Murphy
Pickersgill
Pratt
Regier
Robichaud
Smith (Calgary South)
Smith (Simcoe North)
Smith (Winnipeg North)
Spencer
Stefanson
Stewart
Valade
Villeneuve
Walker
Winch
Wratten—50.

(Quorum—15)

AGRICULTURE AND COLONIZATION

Messrs.

Argue
Barrington
Boivin
Boulanger
Brunsden
Cadieu
Campbell (Lambton-Kent)
Casselman, Mrs.
Charlton
Cooper
Doucett
Dubois
Dupuis
Fane
Fleming (Okanagan-Revelstoke)
Forbes
Forgie
Godin
Gour
Grills
Gundlock
Hales
Hardie
Henderson
Hicks
Horner (Acadia)
Howe
Jorgenson
Kindt
Lahaye
Latour
Leduc
Letourneau
McBain
McIntosh
McMillan
Michaud
Milligan
Montgomery
Muir (Lisgar)
Nasserden
Noble
O'Leary
Pascoe
Peters
Phillips
Racine
Rapp
Regnier
Richard (St. Maurice-Lafleche)
Robinson
Rompre
Rowe
Smith (Lincoln)
Southam
Speakman
Stanton
Thomas
Tucker
Villeneuve—60.

(Quorum—20)

STANDING ORDERS

Messrs.

Aitken, Miss
Argue
Best
Bourdages
Brassard (Chicoutimi)
Campeau
Denis
Forgie
Frechette
Garland
Horner (Jasper-Edson)
Kucherepa
Loiselle
Martineau
McGrath
Meunier
Milligan
Mitchell
Spencer
Tremblay—20.

(Quorum—8)

MARINE AND FISHERIES

Messrs.

Anderson
Batten
Bourget
Browne (Vancouver-Kingsway)
Carter
Crouse
Danforth
Drysdale
English
Gillet
Granger
Grenier
Howard
Keays
Legere
Macdonald (Kings)
MacLellan
Matthews
McGrath
McLennan
McPhillips
McQuillan
McWilliam
Michaud
Morris
Murphy
Noble
O'Leary
Phillips
Pickersgill
Robichaud
Speakman
Stefanson
Stewart
Tucker—35.

(Quorum—10)

MINES, FORESTS AND WATERS

Messrs.

Aiken
Baskin
Cadieu
Coates
Doucett
Drouin
Dumas
Garland

Godin
Granger
Gundlock
Korchinski
Kindt
Latour
Leduc
MacInnis
MacRae
Martel
Martin (Timmins)
Martineau
McFarlane
McGregor
McQuillan
Mitchell
Muir (Cape Breton North and Victoria)
Murphy
Nielsen
Payne
Roberge
Richard (St. Maurice-Lafleche)
Robichaud
Simpson
Slogan
Stearns
Woolliams—35.

(Quorum—10)

INDUSTRIAL RELATIONS

Messrs.

Allmark
Bell (St. John-Albert)
Benidickson
Bourdages
Brassard (Lapointe)
Browne (Vancouver-Kingsway)
Caron
Deschatelets
Drouin
Grafftey
Granger
Houck
Lafreniere
Lahaye
Loiselle
MacInnis
MacLean (Winnipeg North Centre)
Mandziuk
Martini
McDonald (Hamilton South)
McWilliam
Mitchell
Muir (Cape Breton North and Victoria)
Nasserden
Noble
Peters
Pigeon
Ricard
Skoreyko
Small
Smith (Winnipeg North)
Spencer
Stanton
Thrasher
Weichel—35.

(Quorum—10)

DEBATES

Messrs.

Campbell (Lambton-Kent)
Chevrier
Dorion
Fortin
McPhillips
Monteith (Verdun)
Nixon
Paul
Regnier
Richard (Ottawa East)
Roberge
Winch—12.

(Quorum—7)

EXTERNAL AFFAIRS

Messrs.

Aitken, Miss
Allard
Argue
Cardin
Crestohl
Dinsdale
Dorion
Eudes
Fairfield
Garland
Hellyer
Herridge
Jones
Jung
Kucherepa
Lafreniere
Lennard
MacLellan
Macnaughton
Macquarrie
Mandziuk
Martin (Essex East)
McCleave
McGee
Montgomery
Nesbitt
Nugent
Pearson
Pratt
Richard (Ottawa East)
Smith (Calgary South)
Stinson
Valade
Vivian
White—35.

(Quorum—10)

Standing Committees

ESTIMATES

Messrs.

Anderson
Baldwin
Bell (Carleton)
Benidickson
Best
Bissonnette
Bourbonnais
Bourdages
Bourget
Broome
Bruchesi
Cardin
Carter
Cathers
Chambers
Clancy
Coates
Dumas
Fairfield
Fortin
Garland
Gillet
Grafftey
Hales
Hardie
Hellyer
Hicks
Howe
Korchinski
Lambert
Macnaughton
Macquarrie
McDonald (Hamilton South)
McFarlane
McGrath
McGregor
McIlraith
McMillan
McQuillan
McWilliam
More
Morris
Nesbitt
Nielsen
Payne
Peters
Pickersgill
Pugh
Ricard
Richard (Kamouraska)
Rowe
Small
Smallwood
Smith (Calgary South)
Stewart
Tassé
Thompson
Walker
Winch
Winkler—60.

(Quorum—20)

VETERANS AFFAIRS

Messrs.

Badanai
Batten
Beech
Benidickson
Broome
Cardin
Carter
Clancy
Denis
Dinsdale
Fane
Forgie
Fortin
Garland
Herridge
Jung
Kennedy
Lennard
Macdonald (Kings)
MacEwan
MacRae
Matthews
McIntosh
McWilliam
Montgomery
O'Leary
Ormiston
Parizeau
Peters
Pugh
Roberge
Robinson
Rogers
Speakman
Stearns
Stewart
Thomas
Webster
Weichel
Winkler—40.

(Quorum—15)

PRINTING

(Members to act on the part of the Commons)

Messrs.

Allard
Asselin
Badanai
Barrington
Batten
Belzile
Bissonnette
Boivin
Bourdages
Bourque
Brunsden
Cadieu
Campeau
Clancy
Cooper
Creaghan
Deschambault
Dubois
Dupuis
Fane
Flynn
Gillet
Godin
Grafftey
Gundlock
Henderson

Standing Committees

Howard
Jorgenson
Korchinski
Lahaye
Lessard
Letourneau
Loiselle
MacInnis
MacLellan
Martin (Timmins)
Martini
McLennan
McWilliam
Michaud
Morissette
O'Leary
Phillips
Rapp
Ratelle
Richard (Kamouraska)
Robinson
Rouleau
Skoreyko
Smallwood
Southam
Taylor
Thrasher
Winkler—54.

LIBRARY OF PARLIAMENT

(Members to act on the part of the Commons)

Mr. Speaker and Messrs.

Aitken, Miss
Argue
Bourbonnais
Bourque
Brunsden
Campeau
Dorion
Eudes
Fairfield
Fisher
Fleming (Okanagan-Revelstoke)
Forbes
Frechette
Grenier
Hanbidge
Houck
Kindt
Knowles
LaRue
Lennard
Lessard
Macquarrie
Martineau
Matthews
McFarlane
McGee
McIlraith
Muir (Lisgar)
Nixon
Pigeon
Pratt
Racine
Ratelle
Richard (Ottawa East)
Simpson
Skoreyko
Small
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Stinson
Tremblay
Tucker—45.

RESTAURANT

(Members to act on the part of the Commons)

Mr. Speaker and Messrs.

Bourque
Campbell (Lambton-Kent)
Carter
Deschatelets
Dorion
Doucett
Godin
Gour
Hales
Horner (The Battlefords)
Lafreniere
Legere
Letourneau
Martin (Timmins)
McGregor
McQuillan
Muir (Lisgar)
Pratt
Richard (Ottawa East)
Stearns
Taylor
Villeneuve
Weichel
Wratten—25.

Mr. Pallett moved that the report be concurred in.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. G. J. McIlraith (Ottawa West): No, Mr. Speaker. The report has not been printed. Let us follow the usual practice; let the hon. member move concurrence tomorrow in the usual way.

Mr. Pallett: Mr. Speaker, I happen to have in my hand *Votes and Proceedings* of June 3, 1958 which indicate that on the day the report was tabled the hon. member for Huron (Mr. Cardiff) moved that the report be concurred in and the motion was agreed to.

Mr. Bell (Carleton): And that has been the invariable practice.

Mr. McIlraith: I have not had an opportunity of checking the practice but I recall last year, when this was done, not taking exception to the procedure because I thought it was a new whip who was not familiar with the practice. My recollection is, although I may be wrong in this—

Mr. Bell (Carleton): The hon. member is wrong.

Mr. McIlraith: —and I think the house leader will support me in this matter—that the practice was to have the motion stand; that is to have the report presented one day and to have the names stand over until the next day until the members of the house have an opportunity of seeing them, and then immediately moving concurrence.

Hon. Howard C. Green (Minister of Public Works): My understanding of the practice has been that the representatives of the different parties submit the names, and that has been done in this case. The hon. member's party has submitted names. These names have been put on the respective committees in accordance with the wishes of the leader of the official opposition. I do not suppose there is any particular objection to allowing the motion made by the government whip to stand until tomorrow. However, I would point out that every courtesy has been extended, and I think there was agreement among the three parties as to these names.

Hon. Lionel Chevrier (Laurier): May I ask the house leader, Mr. Speaker, whether as a matter of courtesy he will not allow the matter to stand over until tomorrow.

Mr. Green: There is no objection to that procedure, Mr. Speaker.

Mr. Speaker: The Clerk informs me that the usual practice has been to make the motion immediately, but it would seem to be a better practice to give hon. members of the house a chance to read the list before they are asked to approve the report. With the concurrence of all hon. members can the motion stand until tomorrow?

Some hon. Members: Agreed.

Motion stands.

POWERS OF COMMITTEES

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

That the standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

OLD AGE SECURITY

ANNOUNCEMENT RESPECTING REPORT OF DR. CLARK

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I should like to make a brief statement with reference to the report on old age security which Dr. Robert Clark of the University of British Columbia is preparing, which report he had hoped to have completed by to-day. I was in touch by telephone with Dr. Clark this morning. He advises me that he has completed and sent forward 18 of the 20 chapters of his report, and that he has the last two chapters in the final stages of revision. He expects to have these chapters completed by the end of this present week.

In view of the widespread interest in the document I am arranging, as soon as the full text is received, to have it reproduced in sufficient quantities to meet the requirements of parliament, the press and other interested parties. This may take a little time, but I can assure hon. members that we will arrange to complete the work of reproduction as quickly as possible, and will table the document in the house and make additional copies available to all who are interested at the earliest possible moment.

Hon. Paul Martin (Essex East): Mr. Speaker, perhaps I may be allowed to comment on the statement made by the minister. He will remember that on Thursday last I asked him when we could expect this report to be tabled, and he directed me, quite properly, to a reply that was made on the second day of the session by the Prime Minister. This reply was to the effect that he hoped to be able to table the report on February 9. Now we are advised that Dr. Clark is not able to give the minister and the house the full report.

The minister, I am sure, feels somewhat embarrassed by this situation, because it will be recalled that when the Prime Minister announced last January that he had assigned to Professor Huson the writing of this report, he indicated that he hoped to have it completed in not more than four

months. When Professor Huson indicated that he could not possibly have the report ready in four months, which was a period that coincided with important electoral events, the Prime Minister then discharged—or perhaps the word discharged is too strong, but he asked that Professor Huson be released from his obligation and it was then assigned to Dr. Clark, for whom I have very high regard.

The minister now tells us that the report is not ready. Some of it is ready, so perhaps the minister will give consideration to releasing part of it, at any rate, in serial form. It might have very great interest, and there are some good precedents for that because one of the reports of the government's own appointed royal commission on energy has been released on an instalment basis. If that report could be released in serial form, surely a report of this importance could receive similar treatment. I hope the minister will find it possible to give some consideration to this suggestion.

Then perhaps when he deals with the matter the next time he might tell the house whether he is not really convinced that much of this work, if not all of it, could have been disposed of within a week by his own able officials in the Department of National Health and Welfare.

Mr. Monteith (Perth): Mr. Speaker, I do not think this is the type of report which it would be reasonable to table in portions. It concerns a complete study of the old age security system in the United States—insurance and survivors, I believe it is called. I think due to the imminence of the tabling of the complete report it would be somewhat unnecessary even to consider tabling part of it at this time.

FRASER RIVER

LEGISLATION TO SAFEGUARD NAVIGATION AND FISHERIES

Mr. A. D. McPhillips (Victoria, B.C.) moved for leave to introduce Bill No. C-23, respecting navigation and salmon fishery on the Fraser river.

Some hon. Members: Explain.

Mr. McPhillips: This bill is simply designed to protect navigation and the salmon fishery on the Fraser river, British Columbia.

Motion agreed to and bill read the first time.

Motions for Papers

INDIAN ACT

MOTION FOR APPOINTMENT OF JOINT COMMITTEE TO CONSIDER AMENDMENTS

On the order: Government notices of motions:

February 5—*The Minister of Citizenship and Immigration*—The following proposed motion:—

That a joint committee of the Senate and House of Commons be appointed to examine and consider the Indian Act, Chapter 149, R.S.C., 1952, and amendments thereto, and to suggest such amendments as they may deem advisable, with authority to investigate and report upon Indian administration in general and, in particular, on the social and economic status of the Indians;

That 24 members of the House of Commons, to be designated at a later date, act on behalf of the house as members of the said committee, and that standing order 67(1) of the House of Commons be suspended in relation thereto;

That the said committee have power to call for persons, papers and records and examine witnesses under oath; to sit while the house is sitting, and to report from time to time; and to print such papers and evidence from day to day as may be ordered by the committee and that standing order 66 be suspended in relation thereto;

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose, and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

Mrs. Fairclough: Stand.

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

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS ACT

FURTHER EXTENSION OF INCOME TAX RATE

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

That it is expedient to introduce a measure to amend the Federal-Provincial Tax-Sharing Arrangements Act to extend for a further period of one year the rate of 13 per cent for standard individual income tax for the purpose of calculating the tax equalization payments to the provinces and the amounts payable to the provinces under the tax rental agreements.

Motion agreed to.

MOTIONS FOR PAPERS

ST. LAWRENCE-GREAT LAKES WATERWAY —PILOTAGE

Motion No. 7—**Mr. Fisher:**

For a copy of all correspondence and other documents exchanged between the federal government and officials of the United States concerning pilotage and the regulation of pilotage on the St. Lawrence-great lakes waterway, since June 1, 1958.

[Mr. McPhillips.]

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, I must inform the house that there are no papers which could be produced in accordance with the terms of this motion. Concultations have, of course, been held by Canadian and United States officials over the past few years with the object of determining how pilotage matters in the waters of the great lakes basin can be dealt with most satisfactorily. In the course of these discussions, which are of a continuing nature, working papers have been prepared and subjected to joint examination. No documents or correspondence on pilotage have, however, passed between the two governments subsequent to the Canadian aide memoire of March 20, 1958, a copy of which was tabled in the house on June 24 last.

Since there are no relevant papers, I suggest that the hon. member might allow this motion to drop.

Mr. Speaker: Is it agreed that this motion be dropped subject to consent of the house?

Some hon. Members: Agreed.

Motion dropped.

MALTON AIRPORT PROPERTY EXPROPRIATION

Motion No. 16—**Mr. Fisher:**

For a copy of all correspondence, telegrams, and other documents exchanged between government departments, including the VLA administration, and persons, associations, and authorities involved in expropriation proceedings by the crown in connection with the extension of Malton airport, since June 10, 1957.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I have discussed this matter with the hon. member for Port Arthur, and since it deals with a question which is now before the courts the hon. member is, I believe, willing to let the motion drop.

Mr. Speaker: Is it agreeable that this motion be dropped in view of the explanation made by the minister?

Some hon. Members: Agreed.

Motion dropped.

AIR LINE REFUELING STOP, FROBISHER BAY

Motion No. 35—**Mr. Hardie:**

For a copy of all correspondence and other documents exchanged between the federal government, or any of its departments, and air line companies, since September 1, 1957, concerning the use of Frobisher Bay as a refueling stop on their international routes.

Motion agreed to.

RAILWAY CONSTRUCTION, ALBERTA-GREAT SLAVE LAKE

Motion No. 36—**Mr. Hardie:**

For a copy of all correspondence exchanged between the federal government, or any of its departments, and the Consolidated Mining and Smelting Company, Canadian Pacific Railway and Canadian National Railways, since January 1, 1957, concerning the building of a railway from Alberta to the south shore of Great Slave lake?

He said: Mr. Speaker, since putting this motion on the order paper I have spoken to the Minister of Transport, who has informed me that discussions are still going on with the railways. For this reason I have agreed with the minister to drop the motion at this time, but I reserve the right to place a similar motion on the order paper at a later date.

Motion dropped.

BILL OF RIGHTS

Motion No. 38—**Mr. Argue:**

For a copy of all correspondence, telegrams and other documents exchanged between the federal government and each of the provincial governments since March 31, 1958, regarding a bill of rights.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, this is agreeable subject to the customary exceptions and reservations.

Mr. Speaker: Subject to the limitations expressed by the Prime Minister is it the pleasure of the house to adopt the motion?

Motion agreed to.

CANADIAN PACIFIC RAILWAY

BRITISH COLUMBIA—DISCONTINUANCE OF WINTER FERRY SERVICE, VANCOUVER ISLAND

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Prime Minister arising out of the reported decision of the Canadian Pacific Railway to discontinue as of February 25 winter steamship connections with the mainland from Vancouver island out of Victoria. I should like to ask the Prime Minister what steps are being taken by the government to maintain this essential service.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that question will be answered by the Minister of Transport.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I have been asked questions about this matter by the hon. member for Victoria, the hon. member for Nanaimo and the Minister of National Defence. I have been in touch with senior officials of the C.P.R. in this connection, and they have informed me that winter traffic has been exceedingly low, running for example, upon occasion, to only one automobile and only half as many passengers as crew on certain trips. Moreover they have advised that the two vessels involved are close to the expiry date of their safety certificates, and the company is facing heavy refit and modernization costs if the ships are continued in service. Accordingly, decision has been taken to suspend winter operations although summer service will be reinstated with other ships during the tourist season.

The company has also informed me that to accommodate traffic to Victoria special arrangements have been made with Vancouver Island Bus Lines to have connecting bus service at Nanaimo to meet the company ferries there, and that this will provide a faster over-all transit time from Vancouver to Victoria than the direct Vancouver to Victoria ferry has given. Similarly, it is understood that the Washington State Ferries are starting a service from Anacortes to Sidney on February 26 with connecting bus services at each end, which will also provide a faster transit time from Victoria to Seattle than the ferry has hitherto given. Moreover, the provincial government of British Columbia has, I understand, announced that it proposes to go into the ferry service to serve this part of the island, and that it is building two new ferries for this purpose.

Doubtless all the foregoing factors have played their part in the decision of the Canadian Pacific to withdraw the present ships from service.

While I would not wish this to be taken as a final and categorical statement on my part regarding the legal position, I have not been able to find anything to the effect that provision of this service is a constitutional or legal responsibility of the federal government.

There is nothing further that I can say on the matter at the present time, though we will continue to give it our active consideration.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I ask the minister a supplementary question. Having regard to the arrangements that have been made is it not a fact that the Vancouver Island Bus Lines is a wholly-owned subsidiary of the C.P.R.?

Mr. Hees: I am not aware of that fact.

Mr. G. J. McIlraith (Ottawa West): Can the minister advise the house whether or not there is any statutory or contractual obligation on the part of the federal government to provide a ferry service between Victoria and the mainland?

Inquiries of the Ministry

Mr. Hees: Mr. Speaker, as I said in my statement I am not aware whether that is a fact. We have tried to ascertain if there is any, but have not been able to find that there is any such obligation. However, as the hon. member will have noticed in listening to my statement, the C.P.R., by providing bus service from Victoria to Nanaimo and ferry service from Nanaimo to Vancouver, is providing a faster over-all service in this manner than previously was the case with the ferry service direct from Victoria to Vancouver.

Mr. Winch: May I ask a further supplementary question. I understood the minister to say that he had received information from the steamship company that alterations and modernization work are required. If that is the reason why they cannot maintain winter service, will the minister make a further investigation as to how they intend to operate a summer service with the same boats?

Mr. Hees: If the hon. member had paid attention to what I said he would know the answer. I said that the summer service will be reinstated with other ships during the tourist season. Perhaps if the hon. member would pay more attention to what is being said rather than thinking up supplementary questions he would know what is going on.

Mr. Regier: May I ask a supplementary question. I should like to ask the minister whether his favourite, the C.P.R., only has to provide transportation when they can make money on the deal?

Mr. Pearson: May I ask the minister a supplementary question. Was there consultation between the federal government on the one hand and the provincial government of British Columbia or the Canadian Pacific Railway on the other hand before this decision was taken by the railway?

Mr. Hees: No, Mr. Speaker.

Mr. Winch: I should like to ask the minister whether or not any application has been received by him or the government from the C.P.R. for a subsidy in order to maintain the service.

Mr. Hees: No, Mr. Speaker.

Mr. Winch: If so, would this be considered?

Mr. Hees: That is a hypothetical question, Mr. Speaker.

Hon. Lionel Chevrier (Laurier): May I also be permitted to ask a supplementary question. In view of the fact that it is the policy of the minister's department to build ferries and in certain instances to turn them over to private initiative for operation, will the minister give consideration to that policy in respect of the service he has mentioned?

[Mr. McIlraith.]

Mr. Hees: I think all hon. members will agree from what I have said that good service is going to be provided by the present arrangement. A bus service is being provided to Nanaimo and then the ferry service from Nanaimo to Vancouver, which will mean a shorter over-all elapsed time for the trip—

Mr. Winch: Who said so?

Mr. Hees: —than is available at present to passengers. That is the statement of the Canadian Pacific Railway.

Mr. Winch: I will challenge that statement anytime.

Mr. Chevrier: The minister did not answer my question.

Mr. Hees: If the hon. member for Laurier wants a further answer to his question, as I have said there will be a shorter elapsed time under the present arrangement than under the former.

Mr. Regier: That is not so and you know it.

Mr. Hees: Other boats will be provided during the tourist season. The provincial government of British Columbia is going into the ferry business in the very near future. Therefore I do not think it would be a very good business venture for the federal government to try to step in in any way at all at the present time.

Mr. Chevrier: Will the minister give consideration to the suggestion?

Mr. Hees: Mr. Speaker, the federal government always gives consideration to any sensible suggestion.

POST OFFICE DEPARTMENT

GIRL GUIDES ASSOCIATION—REQUEST FOR COMMEMORATIVE STAMP

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I should like to direct a question to the Postmaster General, a copy of which I have sent him. In view of the good work done by the Girl Guides Association, especially in Canada, has the minister given consideration to commemorating by a special postage stamp the sixtieth anniversary of guiding in Canada next year, 1960?

Hon. W. M. Hamilton (Postmaster General): During the course of a year, Mr. Speaker, we receive many suggestions for just such commemorative postal stamps. Therefore we make no decision as to the subjects for the succeeding year until fairly well along in the year which precedes the issue of the stamps. Thus it is impossible to answer this question at this

time, although certainly the Girl Guides Association and their representations in this respect will receive very serious consideration.

LABOUR CONDITIONS

VANCOUVER—REPORTED USE OF ARMY EQUIPMENT BY UNEMPLOYED

On the orders of the day:

Mr. J. R. Taylor (Vancouver-Burrard): I wonder if I might direct a question to the Minister of National Defence. I am sorry I did not give him notice. My question relates to a very short announcement in a Canadian Press dispatch to the effect that 800 army beds and blankets were being made available to unemployed persons in the Vancouver area. Will the minister inform the house whether these beds and bedding will be made available only to unemployed transients, or might they be made available to others who may be temporarily unemployed in the Vancouver area?

Mr. Winch: You should direct that question to the Minister of Labour, because he says there is no unemployment.

Hon. G. R. Pearkes (Minister of National Defence): Bedding and other equipment which is urgently required in a province is only made available at the request of the provincial government. The government of British Columbia has applied for the use of this equipment.

Mr. Taylor: May I ask a supplementary question, Mr. Speaker. Can the minister say who might be responsible for the cleaning, repair and transportation of the beds?

Mr. Pearkes: The provincial government of British Columbia.

CANADIAN BROADCASTING CORPORATION

MONTREAL—INQUIRY AS TO PRESENT STRIKE POSITION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Can the Minister of Labour tell the house whether a settlement in the dispute between the C.B.C. and the producers has been reached? If not, what is the present position of negotiations?

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker.

Mr. Chevrier: May I direct the question, in that case, to the Minister of National Revenue?

Hon. George C. Nowlan (Minister of National Revenue): So far as I know, Mr. Speaker, no settlement has yet been reached, and I do not want to indulge in prophecy with respect to this matter. I had thought on Friday that a settlement would be reached within the matter of an hour or so, but various other problems were raised and a decision was delayed. As the hon. member and the house well know from press reports, the parties representing the producers and the corporation have been meeting almost daily. On Friday night they met until after midnight, Saturday night until after midnight, and I believe again on Sunday. They met again this morning at 11 o'clock.

My advice is that progress is being made and that the negotiations are being carried on in an atmosphere which would suggest the possibility, if not the probability, of arriving at a settlement. As soon as I have word of it I shall inform the house as to the result.

TRANS-CANADA HIGHWAY

BRITISH COLUMBIA—REPORTED SUSPENSION OF WORK ON ROGERS PASS SECTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): As I aim to serve all my constituents, regardless of party affiliation, I should like to direct a question to the Minister of Public Works prompted by some of his political friends in my constituency. Will the minister inform the house if reports are correct to the effect that owing to impossible snow conditions, all work on the Rogers pass section of the trans-Canada highway has been suspended? In view of the unusual construction difficulties and winter weather conditions experienced in this section of the trans-Canada highway, has the government given consideration to the necessity for an alternative all-weather route through the Jumbo pass?

Hon. Howard C. Green (Minister of Public Works): I am afraid I cannot give much comfort to my good friend the hon. member for Kootenay West or my own political friends in that riding. As the hon. member knows, he and I conducted a campaign in the house some years ago in favour of Jumbo pass. However, we lost out and the road is now being built through Rogers pass. A great deal of money has been spent, and while work is now shut down, this is only because of the winter and there will be a resumption just as soon as the contractors are able to go to work in the spring.

EXTERNAL AFFAIRS

GERMANY—INQUIRY AS TO DRAFT REPLY TO SOVIET PROPOSALS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Secretary of State for External Affairs whether or not

a draft western reply to the recent Soviet proposals for a German settlement has been discussed with the Canadian government, and can the minister make a statement about the government's position on this particular matter?

Hon. Sidney E. Smith (Secretary of State for External Affairs): I thank the Leader of the Opposition for notice of his intention to address this question to me. I am able to inform the house that consultation has already commenced in the NATO council on the replies to be sent to the Soviet union in response to its notes of January 10, 1959 on the German question. When this process of consultation has been completed I hope to be able to inform the house of the position of the Canadian government on this matter.

It would seem to me that it would be helpful if I took this opportunity of tabling the text of the note sent to the Canadian government by the Soviet government on January 10, 1959, and also a copy of the draft peace treaty with Germany which accompanied that note. The main proposal in this note was that a conference be held to consider a peace treaty with Germany, and it was suggested that both parts of Germany participate in this process.

The note to the Canadian government was similar to the notes submitted to the United States, the United Kingdom and France, the powers with occupation responsibilities, as well as to a number of other countries identified by the Soviet union as those which had taken part in the second world war. I table the note and the copy of the draft treaty.

AIR TRANSPORT

B.O.A.C.—FIFTH FREEDOM RIGHTS AT MONTREAL AND TORONTO

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Will the Secretary of State for External Affairs say whether the United Kingdom government is seeking to amend the air agreement with Canada in order to obtain for B.O.A.C. fifth freedom rights at Montreal and Toronto?

Hon. George H. Hees (Minister of Transport): As this matter comes more directly under my jurisdiction, I shall answer the question. There have been discussions during the past year and a half between the Canadian government and the United Kingdom government regarding this air agreement. These discussions are still going on. There have not been any applications by the British government for fifth freedom rights at either Toronto or Montreal.

[Mr. Pearson.]

Mr. Chevrier: Will the minister allow me to ask a supplementary question. Will he give consideration to the fact that if these fifth freedom rights were granted at Montreal and Toronto, it would mean a very severe blow to Dorval as an international airport?

Mr. Hees: I agree with the hon. member that it would. As I say, I am glad to be able to reassure him that such fifth freedom rights have not been applied for by the British government.

THE CANADIAN ECONOMY

ROYAL COMMISSION ON ENERGY—STATEMENT ON RESUMPTION OF SITTINGS IN ATLANTIC PROVINCES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): On Thursday last the hon. member for Gloucester asked me the following question:

> Can the Prime Minister advise the house whether the Borden commission on energy has resumed sittings in the Atlantic provinces and, if not, when such sittings are expected to be resumed?

As already advised, the second report of the commission dealing with oil marketing will probably not be ready until April or May. The commission informs me it does not plan to hold any further public hearings until after this second report, dealing with another phase of the matters to be investigated by it, has been submitted to the government. Thereafter, public hearings will be resumed as soon as practicable, and when such hearings are resumed later in the year the commission intends to hold public hearings in the Atlantic provinces.

SHIPPING

HALIFAX—REQUEST FOR AWARDING OF CONTRACT TO SHIPYARD

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Has the Minister of Transport received a telegram from Murray A. Lowe, secretary treasurer of the industrial union of marine and shipbuilding workers of Canada, pointing out that approximately 300 employees have been laid off at the Halifax shipyard since December? Will the minister say what consideration the government is giving to the request that is made that the award of the Belle Isle ferry contract be made to the Halifax shipyard, and the request that other government work be provided for that shipyard?

Hon. George H. Hees (Minister of Transport): I have not received such a telegram. I should like to inform the hon. member that such contracts are awarded on the basis of the lowest tender.

GRAIN

WHEAT—REQUEST FOR CONSIDERATION OF POSITION OF MARITIME CONSUMERS

On the orders of the day:

Mr. E. L. Morris (Halifax): I should like to direct a question to the Minister of Trade and Commerce. In view of the minister's announcement in the house on Friday last that the increase in price would apply only to wheat for shipment from the lakehead and not to wheat for shipment from the Atlantic coast ports, would the minister give assurance that maritime domestic consumers shall not have to pay higher prices for western grain, particularly for feed?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I should like to take the question as notice, in order to give me an opportunity to consult with the wheat board.

WHEAT—FURTHER STATEMENT ON CHANGE IN PRICING POLICY

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): On Friday, Mr. Speaker, a somewhat related question was asked by the hon. member for Port Arthur, which I took as notice. He asked me the following question:

> Did the wheat board take cognizance of the tentative seaway tolls on lake shipping in setting this price increase? If so, is an adjustment in the price increase either up or down possible if the tentative tolls schedule is changed?

As I indicated in my statement, the increase represented the board's preliminary estimate of the gross saving in freight likely to be realized. This, of course, would take into consideration the question of tolls. Generally speaking the board's policy is flexible, and they will be guided by experience as to its future determination and make adjustments as necessary.

Hon. Lionel Chevrier (Laurier): I should like to ask a supplementary question of the minister. Was not the statement made by the minister the other day one that did not take into consideration, as it should not have, the question of tolls on the seaway?

Mr. Churchill: What was the question?

Mr. Chevrier: The statement was made irrespective of tolls on the seaway, was it not?

Mr. Churchill: I presume that is correct, but the question asked by the hon. member for Port Arthur is related to changes that might take place in those tolls. I presume the board, as it does with all other transportation charges, would relate that to its current business and current prices.

RYE—REQUEST FOR EXTENSION OF SUPPLEMENTARY QUOTAS TO SASKATCHEWAN

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Is the minister aware of the article in the February 5 issue of the *Western Producer* captioned "Supplementary quota on rye authorized"? The article goes on to say that the Canadian wheat board has authorized a supplementary quota of 5 bushels per seeded acre for rye, subject to a minimum delivery of 150 bushels, at all Alberta delivery points, effective January 26. Can the minister tell us if this quota will be put into effect in Saskatchewan as well; and if so, how soon?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the supplementary delivery quota for rye at Alberta stations was authorized to provide necessary mill supplies in that province, and to make available additional supplies for shipment to the west coast to meet potential sales commitments. Producer deliveries of rye in Saskatchewan and Manitoba normally move to the lakehead, where stocks are presently adequate to meet requirements. It is the intention of the board, however, to extend the supplementary rye quota to Saskatchewan and Manitoba points after the opening of navigation on the great lakes, when further stocks will be required at the lakehead and elevator space will be available.

It is customary for the board to authorize supplementary quotas within specified areas shipping to terminal facilities where stocks are not adequate to meet existing or potential sales commitments.

DOMINION-PROVINCIAL RELATIONS

NEWFOUNDLAND—IMPLEMENTATION OF REPORT OF ROYAL COMMISSION ON REVISION OF TERMS OF UNION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): In view of the fact that the report has now been available for more than six months, and in view of the urgent fiscal need of the provincial government of Newfoundland, can the Prime Minister tell us whether the government will find it possible at an early date to make an announcement about what it is proposed to do about implementing the report of the McNair commission?

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think the Minister of Finance can conveniently answer that question.

Hon. Donald M. Fleming (Minister of Finance): As all hon. members are aware, Mr. Speaker, Premier Smallwood was here a week ago—

Mr. Pickersgill: Two weeks ago.

Mr. Fleming (Eglinton): —or I should say two weeks ago today accompanied by the minister of finance and other officials including Mr. Perlin who had been a member of the provincial royal commission which had advised the province earlier in the matter, and also Mr. Goldenberg who was counsel to the province of Newfoundland in the hearings of the royal commission headed by Chief Justice McNair.

On the Monday morning there was a conference with the Prime Minister, and that afternoon a further conference proceeded in my office. At these conferences the subject was discussed fully from, I think, every possible angle. Indeed, when the conclusion of the afternoon conference was reached Premier Smallwood was good enough to indicate his pleasure at the hearing he had received and at the thorough way in which all aspects of the question had been reviewed in the meetings.

Premier Smallwood continued to indicate that he is not satisfied with the recommendations of the royal commission. There are problems with regard to the duration of payments as well. The report of the royal commission is anything but clear and definite on some points. In the light of the remarks made by Premier Smallwood and his advisers with regard to the report of the royal commission and what action he would like the federal government to take in the light of the recommendations of the royal commission, the whole subject is under active consideration.

NATIONAL DEFENCE

RE-EQUIPPING OF R.C.A.F. SQUADRONS IN EUROPE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of National Defence whether it is the intention of the government to re-equip the Canadian F-86 air squadrons in Europe with new planes? If so, will the new planes be purchased, as reported, in the United States of America?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, it is questionable if the requirements for a day fighter of the type of the F-86 Sabre for the NATO forces in Europe will exist much longer. Furthermore, the effectiveness of the F-86 Sabre, which at one time was undoubtedly the most efficient fighter in Europe, may have ceased by 1961-62. Consideration is therefore being given to the future role of the air division and the possible replacement of the F-86 by some other aircraft. No decision has yet been reached as to the question of replacing that aircraft, nor as to the type of the aircraft which will replace the F-86, nor where that aircraft will be purchased or made.

SUPPLY

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of supply.

REQUEST FOR RECONVENING OF DOMINION-PROVINCIAL CONFERENCE

Hon. Paul Martin (Essex East): Mr. Speaker, this motion affords an opportunity, both with respect to an amendment which I propose to move later in the course of my remarks and, by what I say, to direct the attention of the house to a matter of great national importance at this time, namely the unexplained delay in the reconvening of the dominion-provincial conference, particularly in so far as it affects such matters as fiscal and unemployment questions.

No one in this house will fail to agree on the need for federalism in Canada. Our need, of course, is based upon a number of considerations such as geography, physical diversity, the stretch of our territories, regional differences in resources and economic activity and, of course, cultural diversity.

On the other hand we have in Canada a great number of common problems. All of us certainly want to continue to build up a strong nation, and we want to use the existence of these common problems for that purpose. These basic needs which I mentioned are illustrated by such expressions as "Unity without uniformity" or "Unity out of diversity". In order to be reconciled and to be satisfactorily met, they require federalism or in other words the assignment of specific constitutional responsibilities to different governments.

This requirement was recognized by the fathers of confederation, and indeed it was embedded in the constitution itself. It still exists today as a basic need, and for the same basic reasons as in 1867. Federalism is the only political system through which we in Canada can be united and continue to progress as a nation. But federalism involves the

assignment of specific constitutional responsibilities to different governments wholly independent of one another. However, the solution of many of these problems for which the modern state has to assume ultimate responsibility does not respect the constitutional division of powers, and cannot be found by one sphere of government acting alone. In other words, such problems are the joint responsibility of all spheres of government in a country like our own.

A good illustration of this is unemployment, where for a full and effective solution the joint responsibility of all governments within the federal state is required. Tax cuts, unemployment assistance, public works especially to give work in winter to unemployed persons, are all essential remedies capable of coping with mass unemployment. But their application does not lie within the exclusive jurisdiction of one sphere of government. This requires, then, the co-ordinated action of all governments, including the municipalities.

This illustration shows that federalism cannot function effectively to satisfactorily solve the problems facing a country like Canada if the different spheres of government ignore each other. In other words, interdependence must be recognized in concrete terms. Co-ordination of all governmental activity is essential. Continuing consultations and discussions between the senior levels of government in particular are necessary.

We have current problems in Canada which require concentration and joint action. We have to face at present several very important problems requiring intergovernmental discussion, joint action and consideration. One of those questions has to do with the matter of constitutional amendment. At the present time we have an anomalous situation. Parliament and the provincial legislatures can change our constitutional provisions in matters concerning both levels of government. However, there is no recognized procedure for amending our constitution, and the United Kingdom parliament still has the final responsibility of changing our constitutional provisions in this respect.

Now, is this not an undesirable situation? The previous administration tried to do something about this problem. It tried to solve it. It brought this subject up for discussion in 1950 at a federal-provincial conference which was specially convened for that particular purpose. There were lengthy discussions, and after those lengthy discussions and consultations, which extended far beyond the conference room, no tangible result was produced. The Prime Minister, good constitutional lawyer that he is, will recognize why that was the result. It was because of the failure of certain provincial leaders who are now friendly with the present Conservative government in office. So it is the responsibility of this government to discuss this important question with the provincial premiers and solve this basic constitutional issue just as quickly as possible.

Mr. Diefenbaker: To which provincial government does the hon. gentleman refer?

Mr. Martin (Essex East): I was referring in particular to my friend's colleague, the premier of the province of Quebec. I would hope that because of his well known association and political community of interest with him he would be able to do something that the previous prime minister and the former minister of justice were unable to effect.

Then there is the matter of human rights. We are going to be asked very shortly this session to consider a bill on human rights which apparently would be limited in its application to the federal field of jurisdiction. Quite apart from the substance of this proposed bill, such limitation I think even the Prime Minister, apart from his own immediate responsibility, would regard as being far from satisfactory. Provincial jurisdiction in the field of human rights, through the property and civil rights clause in section 92 of the British North America Act, is very wide indeed, and the government should at least try to find a formula which would permit joint action with respect to a matter so important as this.

This suggestion was made by the Leader of the Opposition in this house on September 5, 1958, when the bill was given its first reading. Here is what the Leader of the Opposition said, and his words are to be found at page 4652 of *Hansard*:

> Indeed, as a result of consultation with the provinces it might be possible to widen the action so as to include both the federal government and provincial governments in a joint declaration on individual rights and freedoms. Then indeed we would have a powerful symbol.

Mr. Diefenbaker: If the hon. gentleman would excuse me, during the period of office of the last government is it not a fact that the various provinces were consulted with respect to this very important matter, and that several of them did not even deign to reply?

Mr. Martin (Essex East): I am sure if my right hon. friend says that is the case, that is the situation. My memory does not altogether agree with him, but I could be wrong. All I would say in answer is that that is no excuse now, particularly in light of the fact that some of these former objecting premiers may now be more disposed to

accept the recommendations made by the right hon. gentleman than they would the recommendations made by those of us who formerly sat on the ministerial benches. However, the records show that when the Leader of the Opposition made that suggestion the Prime Minister seemed sceptical about such consultations; but he did say—and I now briefly quote his words—that he was "interested in the suggestion". But he was not interested enough, so far as I know, to meet with the provincial premiers; and I suspect from the intervention he has just made that he possibly does not propose to accept the suggestion made by the Leader of the Opposition, and now made again by me today.

I admit that it might prove difficult to reach agreement with all provinces on a joint declaration, but does it not seem that it is the duty of the government to at least try to achieve this? Moreover, a meeting of this kind, even if it fails to bring general agreement, would permit the Canadian people to see where provincial premiers stand in this respect, and I think that would be of the greatest value.

I suggest to the Prime Minister that it is not too late even now to call a conference to deal, amongst other things, with this very important matter, so that when the proposed bill is before parliament later on we in this house will know whether or not it is possible to expect from the provinces a joint declaration which would be a powerful symbol of individual rights and freedoms in our country.

In addition to the constitutional matter and the matter of human rights there is the question of unemployment. As I said a few moments ago, the establishment and application of remedies to cope with unemployment are a joint responsibility of all governments in Canada. What did hon. members opposite do in this particular when they sat where we are now sitting? They urged the government of the day to call a federal-provincial conference to consider this very problem. I want to remind the Prime Minister, who is in the house at the moment, of the position taken by the leader of the opposition—his then leader—on March 2nd, 1955 in a debate in which the right hon. gentleman himself participated. As reported at page 1652 of *Hansard* for March 2, 1955 Mr. Drew, then leader of the opposition, said:

> In all earnestness I urge the Prime Minister (Mr. St. Laurent) not to wait to write to the premiers with respect to the taxation conference before dealing with this immediate subject. This is something that should be dealt with right away. I am confident that if the Prime Minister sent a telegram to the premiers of every province in Canada and asked them to come to a conference immediately to deal with the problem of unemployment and ways and means of meeting the situation, he would receive an affirmative response from every one of them without delay.

Then Mr. Drew concluded:

> That conference could take place within a week. It should take place within a week.
>
> I think also that representatives of the municipalities should attend that conference.

Those were the suggestions made at that time, based on the recognition of joint responsibility of all senior levels of government in the matter of unemployment. And the suggestion considered was to urge the government of that day to call a conference with the provinces in order to discuss and mitigate the matter of unemployment. The present Prime Minister, speaking in that same debate, called upon the then prime minister to answer the words put to him by the leader of the opposition. Why, he asked, could not such a conference be called? It should be called to deal with such a matter. I am now paraphrasing the Prime Minister's words.

Mr. Diefenbaker: What was the reaction of the government of that day?

Mr. Martin (Essex East): I am going to give the house its reaction right now. The reaction was that we, as the government in office at that time, had the responsibility for doing something. So we did call a conference. A preliminary meeting with the provinces was held on April 26 and 27 of 1955 to consider matters of mutual concern, including the problem of unemployment.

That is the answer I give to the right hon. gentleman. We called a conference to do the very thing which we now urge him to do with regard to unemployment and for other reasons I have already mentioned—reasons why this conference, called in the month of November and adjourned at the end of that month, without reconvening in January as had been promised, should now be held. In answer to the question asked by the right hon. gentleman we did exactly what we are now asking him to do.

At that conference which was called in 1955 we decided that a federal-provincial unemployment assistance sharing plan had become desirable in Canada, and that a special meeting should be organized to consider that plan. A conference on unemployment assistance was accordingly held on June 20 and 21, 1955. The federal government then put forward a specific proposal which was modified during the discussion with provincial representatives and later implemented as amended. Moreover, it was agreed that if at any time in the future the total number of unemployed employables on relief should

exceed 2 per cent of the population, a further conference would be called to review the whole situation.

Now I understand from the Minister of Labour, who will correct me if I am wrong, that there are no current figures available on this point at the present time. But is there any doubt that the total number of people receiving unemployment assistance at the present time exceeds that 2 per cent? Therefore I say that if we were asked what we would do under present conditions, on the basis of what I have just said we did do in 1955 the answer would be that a federal-provincial conference on unemployment would already have been called and conclusions would have been reached.

Mr. Starr: We held one last July.

Mr. Martin (Essex East): We would not have held a conference and told the provinces we were going to reconvene it, and then allow a whole year to go by without any action being taken by way of conference or without any indication being given by the Prime Minister as to the government's intention with regard to this particular matter.

Since this government took office the floor of 4.5 per cent of the population has been removed, but the serious unemployment situation has never been discussed with the provinces.

Mr. Starr: Yes, it has.

Mr. Martin (Essex East): It has never been discussed with a view to reappraising the unemployment assistance plan, or in the light of the other provisions for general assistance in connection with this subject. The Minister of Labour said yes, it has. I want to be fair to him. He is referring to the discussions with the provincial ministers of labour. I am referring to a dominion-provincial conference dealing not only with unemployment but with those other matters involving joint responsibility between the two senior levels of government.

The conference to which the hon. gentleman referred was a conference between ministers of labour who met to consider a program of winter work. As the minister knows, for reasons for which I do not blame him personally the recommendations he was able to make reached the cabinet only many weeks after that conference had been held. Perhaps it was this delay which was responsible for holding up the announcement of the Prime Minister regarding the finance-sharing program of the government until just before he left the country, an announcement which so far as it goes is acceptable, but which really does not meet this problem at all.

The real fact is—and I hope hon. gentlemen will indicate when they reply whether or not this statement is correct—that at no time since this government came into office, except with respect to the conference of ministers of labour held last summer, has there been any conference on the intergovernmental level, that is to say between the federal government and the provincial governments. Certainly there has been no federal conference between heads of governments on the scale we are talking about now. I heard the Prime Minister in the opening speech he made at the conference in November, and I remember very well what he said about unemployment at that time. He said at that time that the unemployment problem was a temporary situation—

Mr. Fleming (Eglinton): Page?

Mr. Martin (Essex East): I have not got it before me but I will get it. This is from the opening statement of the Prime Minister at the public session of that conference.

Mr. Fleming (Eglinton): But what is the hon. gentleman reading from? It would be very interesting to know.

Mr. Martin (Essex East): I am reading from the Prime Minister's speech, but I have not got the page.

Mr. Fleming (Eglinton): The hon. gentleman has demonstrated recently some very meticulous concern for precise references, and I invite him now to set the house an example by telling us the precise source from which he is now preparing to read.

Mr. Martin (Essex East): I think what the hon. gentleman said when he rose to his point of order is quite justified, and before I resume my seat I shall identify the quotation for him.

However, the Prime Minister in the course of this speech did refer to unemployment as a temporary situation. That was in November of 1958. Unemployment was rising and, as we know, during the months of December, January, February and March it rose to an increasing extent until, now when we have a situation in which the figures are more serious. We wonder whether this statement by the Prime Minister about the situation being temporary did justify his belittling the existence of the problem.

The point I am making is that this was the only reference to this matter of unemployment during the public session of this conference. My genial friend, the Minister of Finance whose interjections are always so acute and ingenious—

Mr. Fleming (Eglinton): And friendly.

Mr. Martin (Essex East): —has asked me to give the exact page on which are to be found the words I used a moment ago, and I am now pleased to do so. I refer to the proceedings of the dominion-provincial conference of 1957 issued by the government of Canada, and represented as a verbatim report of the conference held in Ottawa on November 25 and 26, 1957. I draw the hon. gentleman's attention to page 10, the third last paragraph, the second last sentence of that paragraph. In fact I think I had better read the whole paragraph.

Mr. Fleming (Eglinton): Hear, hear.

Mr. Martin (Essex East): The third last paragraph on page 10 reads as follows:

I wish now to say a word or two—

Notice that; a word or two.

—on the question of unemployment. In many countries of the free world there has been a pause this year in the rapid pace of development and, as in 1954 and 1955, an increase in unemployment. You will remember in those years that while the percentage of unemployed in Canada in relationship to the number employed was much higher than it is today, that fact and those circumstances did not herald the beginning of depression. What actually happened was that there was a levelling off process which subsequently led to an even wider development and expansion program.

Then the statement continues:

When I say that, of course, I do not mean that prompt action must not be taken to meet—

And here are the words I used:

—what I believe to be a temporary situation this winter.

Mr. Fleming (Eglinton): Will my hon. friend read the next sentence?

Mr. Martin (Essex East): Yes, I shall be glad to. The paragraph concludes with this sentence:

This government has taken active measures to meet this short term situation and is taking additional ones.

Mr. Fleming (Eglinton): Hear, hear.

Mr. Martin (Essex East): What my hon. friend has done has been to remind me that this government has taken short term measures for one winter only when, as of January 8, we were confronted with more unplaced applicants than at any time since the dark thirties. A temporary situation indeed. That is why we should have without any delay a dominion-provincial conference. If the ministers of this government want to be consistent with what they used to say when they were in opposition and, with what was done by the former government, they should immediately call a dominion-provincial conference to deal with this question.

Then there is another matter, the question of fiscal relations. We all know—and no one knows it better than the Minister of Finance—that the subject of fiscal relations between the two senior levels of government in a federal state like ours raises a very complex problem for which no permanent and fully satisfactory solution has yet been devised anywhere. Practical compromises have to be worked out from time to time in the light of changing social and economic conditions as they confront the country, and as well in the light of the evolving allocation of responsibilities between the federal and provincial governments.

The financial settlement reached in 1867 and embodied in our constitution was in itself and by its very nature a compromise. At the time of confederation the federal government received authority for—and I now quote from the constitution:

The raising of money by any mode or system of taxation.

Provincial legislatures were given power to levy direct taxation within the provinces in order to provide for the raising of revenue for provincial purposes. These constitutional provisions which established the right of both levels of government to direct taxation did not appear sufficient to meet the financial requirements of the provinces, and a system of subsidies was devised as an additional source of revenue to meet the growing obligations of the provincial governments. And so, right from the beginning of our confederation and indeed as a prerequisite to its establishment, the principle of payments from one government to the others was recognized, practised and embodied in the constitution.

Between 1867 and the second world war the financial settlement reached at confederation was changed in two ways. First, several major revisions were made to the subsidies and a general readjustment was effected in 1907. Second, the provinces have gained access to new tax fields. This change is seldom noted but is nevertheless most significant. In 1867 the taxing powers of provincial legislatures had been restricted to direct taxation, and the field of indirect taxes had been reserved exclusively to the federal government. Since then, however, the distinction between direct and indirect taxes has become much less significant because the provinces, with the acquiescence of the federal government, have come to use many kinds of commodity taxes in the guise of direct taxes. I think the only sources of revenue which the federal government does not now share with the provinces are customs duties.

This entry of the provinces into the commodity tax field had not been contemplated by the fathers of confederation and it should be recognized as a major step in the direction of financial decentralization when we try to

appraise the evolution of our federalism over the past decades. But it must be noted that while this important new tax field has become accessible to all the provinces, the constitutional position in this particular is not too clear and the method of collecting those taxes which has to be used by the provinces at the retail level is not too effective, so that the several provinces have been reluctant to use that source of revenue.

This is rather important, I believe, and I point it out to the Minister of Finance now. The previous administration had agreed again to submit to the provinces an amendment to the constitution which would have explicitly given to the provinces access to indirect taxation. Approval of the proposed amendment was expressed by nine provinces. The province of Quebec, however, refused approval to that proposal which would have given wider taxation powers to the provinces, and on that account no constitutional amendment was put forward.

It seems to me today that this would be a very useful change to make in our constitution in order to provide additional sources of revenue to the provinces. With that objective in mind the government should review this suggestion just as soon as possible, as was done in 1951. It would probably be more readily acceptable at this time to the province of Quebec which through its premier is certainly more friendly to the present administration that it was to its predecessor. Moreover, the present Prime Minister promised to revise the current tax-sharing arrangements, and more recently several premiers have publicly expressed their dissatisfaction about the present situation and have urged the federal government to call a conference to deal with this problem of mutual concern.

Up to now I have sought to put this question on the basis of historical perspective. I wish now to briefly review some reasons that are incapable of attack as to why this government should now call the provinces together in consequence of a commitment it made to them in November, 1957 and also in fulfilment of promises made by members of this government in the elections of 1957 and 1958.

I want to examine this subject, and I am extremely happy that the Prime Minister is in the house today so that we may deal with the situation face to face and man to man. If there was one promise he gave to the Canadian people it was that if given the opportunity he would, when everyone else had failed, resolve once and for all this matter of fiscal difficulty between the federal and provincial governments. He gave the world and the country the first intimation of this when he opened his campaign in Massey hall in the month of April, 1957. Before dealing with some of the things the Prime Minister said in that speech I should like to give something of the background of the meeting held in Massey hall, a meeting at which the Prime Minister, then the leader of his party, was only one of the speakers, the other speaker being that genial old man of Ontario, Premier Frost.

Mr. Fleming (Eglinton): A little too young for you.

Mr. Martin (Essex East): My friend says, "A little too young for you." I suppose it all depends on the interpretation one places on my hon. friend's remark, but I would say perhaps a little too complicated for my hon. friend to understand. I have here a Canadian Press story which appeared in the Ottawa *Journal* of April 26, 1957, and I am sure that anything the Ottawa *Journal* would report would be a correct representation of the facts. The report has this to say, *inter alia*:

> Mr. Frost started at 9.10 o'clock, drawing a burst of cheers with the statement that Ontario was welcoming John Diefenbaker back home. He was introducing, said Mr. Frost, the next prime minister of Canada.

An hon. Member: He was right, too.

Mr. Martin (Essex East): That prophecy came true and the Prime Minister now sits in the first place and looks at me now in full confirmation of what Mr. Frost said. But Mr. Frost went on.

> Mr. Frost turned to a favourite theme—the unfair policies of the dominion Liberal government in distributing tax revenues.

Mr. Hodgson: Right again.

Mr. Martin (Essex East): I continue:

> The premier, who has a way of saying "Ontario" as if it were a caress, could see no hope of fairness for Ontario from the Liberals and proved the steadiness of his nerves when a balloon burst with a loud pop that made everyone but him jump. Mr. Diefenbaker, his national policy speech in his hand, listened attentively as the courtly Mr. Frost completed the listing of Ontario financial grievances . . . In the warmth of his regard, Mr. Frost said he had looked with dismay at the rugged schedule of campaign meetings arranged for Mr. Diefenbaker and brought down the house with —"don't let them work you to death, John, we need you."

Some hon. Members: Hear, hear.

Mr. Fleming (Eglinton): He was speaking for all Canada.

Mr. Martin (Essex East): Then the story goes on:

> Mr. Diefenbaker, pressed for time—

Obviously Les had spoken too long.

Mr. Pickersgill: Too much.

Mr. Martin (Essex East): I go on.

—started his speech at 9.55 p.m.

Now I want to come to some parts of that speech, because that speech laid down the basis of an argument which the Prime Minister made all over this country and which constitutes for him an obligation under the traditions of our public life to reconvene the dominion-provincial conference at the earliest possible moment or subject himself to misinterpretation at the hands of those who look upon what he does sometimes critically but understandably. Here is what the Prime Minister said in that speech as reported by the Canadian Press, and I take this again from the Ottawa *Journal*:

We believe there can be no national unity in this nation until there is a realization that the federal-provincial matters have handcuffed the provinces of this nation, have denied the municipalities adequate sources of revenue, have placed the provinces and the municipalities in a position where they cannot discharge their constitutional responsibility or permit the necessary development in their own territorial confines of the natural resources that there are.

The Prime Minister, then leader of the opposition, speaking at the first meeting of the campaign went on to say:

We believe the provinces and municipalities must have the financial resources to carry out those responsibilities. We believe in the federal system of government. We believe that its preservation is essential to Canadian unity. We believe the federal system is today being challenged by the centralization complex of the St. Laurent government and that a healthy division and balance of revenues as between federal and provincial governments must be assured.

There is his declaration of belief, of faith. Now let us ascertain as I proceed in what I want to say today whether or not the Prime Minister has in any way lived up to this solemn declaration made to the people of Canada. On that occasion the Prime Minister went on to say:

We intend to form a government to immediately convene a dominion-provincial conference to bring about a settlement of these problems, not in the spirit of arrogant domination as displayed by the present government but in the spirit of unity and amity and with mutual tolerance and respect.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): Hon. gentlemen say "hear, hear". These people who say "hear, hear" are supporters of the government. I ask them, particularly those from the province of Quebec, to rise in their places and ask the Prime Minister to carry out this solemn assurance given to the people of Canada.

Mr. Grafftey: It is being carried out.

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): Listen to what was reported in *Le Soleil* of April 20:

(Translation):

Present fiscal agreements between the provinces and the central government were criticized yesterday evening by Mr. John Diefenbaker, leader of the Progressive Conservative party, who promised that his party, if put into power, will correct the situation.

In his speech delivered in Charlottetown, capital of Prince Edward Island, Mr. Diefenbaker gave the assurance that if he were entrusted with the federal power, he would immediately call a conference to redistribute taxation fields.

"Our desire, our wish, our intention, is to give provinces the share which is coming to them."

"While the provinces and the municipalities are moaning," the Conservative leader went on to say, "the government allows itself the luxury of a $400 million surplus".

(Text):

That was what he said in the province of Quebec. In Halifax he said, as reported in the Halifax *Chronicle-Herald* of June 3:

A Conservative government will call a federal-provincial fiscal conference at which there "must be municipal representation".

In London, Ontario, on May 22 the Conservative leader, according to the London *Free Press*, "called for a new dominion-provincial conference at which the municipalities could sit in because the latter are in financial difficulties." I also have here the Montreal *Gazette* of February 20, 1957, in which I find the following:

The time has come for the federal government to make outright grants on a 50-50 basis with the provinces who ask for it for the construction of access roads.

Mr. Hodgson: They are.

Mr. Martin (Essex East): I continue:

The whole field of taxation will have to be reviewed to assure that the provinces and municipalities may have more equitable share of tax yields.

And so on and so on. The Prime Minister did say to the people in 1957, "Elect me and I will call a dominion-provincial conference in September." There was no dominion-provincial conference called in September. It was only as a result of the prodding of members of the opposition that one was finally called in November of 1957.

Mr. Fleming (Eglinton): That is so utterly untrue. How ridiculous.

Mr. Martin (Essex East): I am going to deal with the Minister of Finance right now. We will see how untrue it is, because I have got a quotation of his. This realization that there had to be a new deal with the provinces and the government's intention to bring it about right away was expressed by the Minister of Finance in this way, according

to the Victoria *Daily Times* of March 31 of that year, 1957. Here is what the Minister of Finance said:

> If there is one subject upon which the people of this country spoke with a clear voice on the 31st of March, it was on the subject of the position of this government with respect to the provinces of this country.

Mr. Fleming (Eglinton): Would my hon. friend give us the date of that again, please?

Mr. Martin (Essex East): June 11, 1958. The minister was speaking to the Prime Minister (Mr. Diefenbaker), and he may not have comprehended the full import of what he said. The words, reported by the Victoria *Daily Times*, are:

> If there is one subject upon which the people of this country spoke with a clear voice on the 31st of March, it was on the subject of the position of this government with respect to the provinces of this country.

I say that is a correct statement, but what is this government doing about it? All that it has done has been to call the provinces to a conference which provided the government with an opportunity of making its own statement, but did not afford opportunity for full discussion with the provinces or the proposals that they had in mind.

Mr. Fleming (Eglinton): Would the hon. member indicate where, according to the newspaper report, those words were uttered?

Mr. Martin (Essex East): Yes. I do not want to disturb hon. friend's nervous system, so I did not use the first words. The report says:

> Speaking rather angrily in the House of Commons the other day—

Mr. Fleming (Eglinton): Exactly; you see, my hon. friend is leaving the impression that these were words uttered out in Victoria. My hon. friend knows that when he is referring to words alleged to have been uttered in the House of Commons he is required, under the rules of the house, to refer to the verbatim report in *Hansard*. Reference to a secondary source like a newspaper report concerning something said in the House of Commons is inadmissible. You see, Mr. Speaker, why it is we have to check the hon. gentleman's references all the time.

Mr. Pickersgill: At least he gives them.

Mr. Martin (Essex East): Because of this second brilliant and ingenious intervention by the Minister of Finance, I shall give him the exact page *Hansard* within a very few moments.

Mr. Fleming (Eglinton): Oh, you have not got it.

Mr. Martin (Essex East): If the deduction I have made about the Prime Minister's campaign in 1957 is to be regarded as possibly overstating the case, I want to call as my witness no less a figure than the premier of Ontario. The election, of course, took place before this date. On June 21, the premier of Ontario was interviewed by the Canadian Press. I now quote from the Canadian Press story appearing in the Ottawa *Citizen* of June 21, 1957. Here is what Premier Frost said:

> Premier Frost says he expects the change of governments in Ottawa will make considerable difference on a number of questions affecting the province.

Then, the article goes on:

> Mr. Diefenbaker, who officially becomes Prime Minister today, said during the election campaign that if elected he would call a federal-provincial conference this fall. The Ontario premier said the tax split should be top matter for consideration at such a conference.
>
> Mr. Frost has said Ontario needs an additional $100 million to meet demands of provincial and municipal growth. If granted, most of that amount would go to relieve municipal education costs, he said Thursday.

Here is this Ottawa *Citizen* article with this headline: "Frost sees new look with new government". Let us see whether or not we are getting this new look. Ontario was not the only province that had views about this matter. Mr. Frost came down and saw the Prime Minister on many occasions. The Prime Minister will recall that on one occasion I asked him if he had lunch yesterday with the premier of Ontario. The Prime Minister said, "No, I did not have lunch yesterday with the premier of Ontario", but then the next day the newspapers pointed out that the premier of Ontario had had lunch with him earlier and that they had been discussing this matter, according to Premier Frost. Why had they been discussing dominion-provincial relations? It was because Premier Frost wanted the right hon. gentleman to call a conference, and a conference was called in November but was not reconvened.

Lest there be any mistake about—

Mr. Diefenbaker: Some more of your personal statistics and personal revisions.

Mr. Martin (Essex East): The Prime Minister introduces these light-hearted irrelevancies, but they do not in any way extricate him from the obvious embarrassment in which he finds himself. Mr. Frost wants this conference reconvened. I have before me an article which appeared in the Ottawa *Citizen* of June 6, 1958 and which says:

> Premier Frost says a dominion-provincial tax conference is "inevitable" before the end of the summer.

Dominion-Provincial Conference

The end of the summer has come and this inevitability has not made itself manifest. The premier told a press conference that he was full of hope that at the conference Ontario would get an additional $78 million from Ottawa. The province asked for $100 million before the last conference and received $22 million as an interim payment.

In predicting a conference by autumn, Mr. Frost said he did not intend to provide any ammunition for Liberal leaders in parliament who have been pressing Prime Minister Diefenbaker for a statement on when the conference will be held.

But Mr. Frost shared with us at that time, as did the provinces, a desire that the conference be reconvened. Here is another story on January 14, 1959, in the Ottawa *Journal*:

Says government will call provinces to tax meeting. The *Tribune* says the federal government will probably invite the provinces to a conference in Ottawa to discuss tax-sharing agreements sometime next month.

This was on January 14 of this year.

Premier Roblin of Manitoba said in an interview that he and other provincial premiers have written Ottawa requesting a conference and said he has suggested it be held before the end of February. The newspaper said Mr. Roblin seemed optimistic that Ottawa will grant the request.

Then, here we have the same story appearing in the Winnipeg *Free Press* of January 16:

Premier disappointed; still want tax talks—Roblin. Premier Roblin made a number of remarks and then struck them from the record. He then continued:

"My official statement is this. We note this (tax agreement decision), but we will still press for continued discussion between the federal government and the provinces on this matter.

Then the premier of Prince Edward Island, as reported in the *Guardian* of January, said:

"Nothing short of a full scale federal-provincial conference will meet the requirements of this province," said Premier A. W. Matheson yesterday following receipt of a letter from Prime Minister Diefenbaker.

This was after the provinces had learned from the speech from the throne, of this unilateral, give it or take it renewed offer of the Minister of Finance, and what the intention of the government was. Then, here we have the Toronto *Star* of January 20, 1959, quoting Premier Frost:

Premier Frost said he presumes on the basis of remarks by Prime Minister Diefenbaker there will be a meeting sometime this year of the federal-provincial continuing committee on fiscal relations and of the finance ministers.

No word at that point from Premier Frost as to the calling of a full conference, although in the month of September, as I have indicated, he was anxious that there should be such a conference called. I suspect that the Prime Minister and Premier Frost have gotten together. They belong to the same political party. The Prime Minister would say, "Well now, Les, you are going to have a provincial election; I think the best way not to embarrass you would be for this question not to be officially resolved. I will find some dextrous way, and I am very dextrous in these matters, Les, of not answering the questions put to me by members of the opposition. We will weather this storm and at the end of the session we will not have called a provincial conference."

Then, in the province of British Columbia—I am revealing the opinion of most of the provinces, Mr. Speaker, and trying to indicate the national interest in this problem—here is what Mr. Bonner, the attorney general of British Columbia, said on January 28 as reported in the *Province* of January 29:

He said dominion-provincial conferences can do much to "improve our situation," and "certainly such a conference concerning the national economy is now overdue."

Then if there was any indication of what really was agreed to and of what the Prime Minister himself gave assurance would take place, it was a story appearing in the *Globe and Mail* the day after the conference was called on November 25 and 26. In the *Globe and Mail* of November 27, in an article written by Mr. Clark Davey, we find the following:

Mr. Diefenbaker stressed that another conference would be convened as soon as possible in the new year after the dominion government has had a chance to study the many proposals of the provincial premiers.

I direct attention to the words "another conference will be called in the new year". That was a year ago or more than a year ago.

Mr. Benidickson: And the communique.

Mr. Martin (Essex East): I am going to deal with that. As I say, that was more than a year ago. Yet the Prime Minister day after day in this house refuses to tell us when he proposes to carry out a commitment as to a matter in respect of which, if we are to have satisfactory dominion-provincial relations, the federal government is but one party. The decision to reconvene the conference was a matter that was decided by all of the parties, the provinces and the federal government. I can interpret the present attitude of this government as nothing more than contempt of the provinces and of parliament itself.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Hon. members say "oh, oh". I well remember the words of Mr. Bennett, as leader of the opposition on this side of the house, speaking about commitments made by one government to another.

Here is the situation with respect to this particular matter. The Prime Minister says, "I do not propose to answer questions put by members of the opposition". He is within his rights in taking that position. No minister can at a particular moment with respect to a particular question be compelled to answer. But I say that in the spirit of our parliamentary tradition there is nothing which justifies a prime minister, day in and day out, in one session and another, refusing to tell parliament and the country what the government's policy is with regard to a particular matter, and particularly with regard to a matter about which there is the clearest evidence of a solemn commitment; and here it is. I refer to the communique itself after the conference, issued by the Prime Minister on behalf of the members of the conference. This communique I have from the Montreal *Star* of November 27. It concludes as follows:

> It was agreed that a subsequent meeting be held as soon as possible in the new year in accordance with the proposal made by the dominion government in calling this conference.

Will any hon. member say that I was not justified in saying that the action of this government from November 27 up until this particular time constitutes contempt of the provinces and of parliament itself?

An hon. Member: Don't be silly.

Mr. Martin (Essex East): But I am not alone in this matter. Even Conservative newspapers bear me out. Here is the Winnipeg *Tribune* of January 15, 1959:

> Several provincial premiers, including Premier Roblin, have been trying to persuade Ottawa to hold new talks on dominion-provincial tax-sharing arrangements.
>
> Most of the provinces are cliff-hanging with regard to the deal they may expect to receive from Ottawa during the months ahead. A new conference should be held.

Then here is the Hamilton *Spectator*, also a strong supporter of the present administration. In an editorial of July 3, 1958, it states:

> It is one of the lesser disappointments of the Fleming budget that it ignored any reference to future relationships between Ottawa and the provinces and municipalities. The government can scarcely avoid an early conference to determine financial arrangements.

I say this to the Prime Minister. I hope that when I shall have finished—and I have not by any means finished yet—he is going to rise in his place and deal with this situation, and tell us precisely what the difficulties are, why this commitment to the provinces is not being carried out, and why he finds its necessary to dodge questions day after day as to the intentions of the government.

But it was not only in the matter of relations with the provinces that the Prime Minister spoke of the requirements in two election campaigns, both of which I acknowledge were unprecedently successful but of which I am sure there is no evidence that there is likely to be any repetition. I refer to the matter of municipal relations. The Prime Minister felt keenly about the municipalities of our country. Wherever he went he reminded the mayors and the people of our cities and towns and in some cases even the villages what he was going to do if given the opportunity to form a government. I find that on May 3, 1957, in St. Stephen, he said this:

> No one could say that municipalities or provinces had the tax resources to carry out their responsibilities.

Then, in a Winnipeg press conference, as reported in the Winnipeg *Tribune* of May 14, 1957, he said this:

> Municipalities have been placed in a position where property owners are saddled with heavy burden of taxation. He charged that continued centralization of taxation by the federal government was leaving the municipalities as the forgotten people.

Then near his own home town of Prince Albert, in Saskatoon at another press conference on May 27, 1957, as reported in the *Star-Phoenix* we have this:

> The Conservative government, if elected, said the P.C. leader, would remove the crushing burden of municipal taxes.

Then right near Ottawa, namely in Hull, on February 25, 1958, we find this:

> He also indicated prompt action on holding an "informal" meeting between the federal government and municipal representatives—he said it would occur after the election—to hear municipal views on their financial problems.

Mr. Hodgson: We did.

Mr. Martin (Essex East): No. That was 1957. The meeting with municipalities occurred in 1958.

Mr. Hodgson: That was fairly soon.

Mr. Martin (Essex East): The quotation continues:

> Such a meeting, he said, would allow the federal government to draw up proposals to present to the next federal-provincial conference for easing "excessive" municipal real estate taxes.

That is taken from the Canadian Press report in the Montreal *Star* of February 26, 1958. It is apparent that the attitude of the Prime Minister has changed. His changed attitude is indicated and reflected in the speech which he gave at the informal meeting of representatives of the Canadian federation of mayors and municipalities on October 6, 1958, the date that I referred to a few moments ago. Here is what was said by the Prime Minister, the man who in Saskatoon,

Hull, St. Stephen, Winnipeg and elsewhere said what he was going to do about the hard-pressed municipalities. Here is what he said to the mayors after the election when he had them in the conference room not far from this chamber. First of all he said this:

I feel that I should also point out that despite the huge requirements of dominion responsibilities, Canada's progress has been such in the past quarter century that, after federal taxes are taken off, the national income available to pay provincial and municipal taxes has increased by many times as compared to pre-war years, and the fraction of that remaining income taken as provincial and municipal taxes is less than it was before the war.

So far those are not words that suggest to me that the spokesman is the same man who spoke in Saskatoon, Hull, St. Stephen and Winnipeg during the course of the election campaign. Then he went on to say this:

I know you are particularly conscious of the burden of real estate taxes, upon which you are so dependent, and often they do look high in terms of mill rates, but in the final analysis taxes on real estate are paid by people out of income.

It should be realized that if average income, after income tax is deducted, is considered in its relationship to the total of real property taxes, it will be found that real property taxes are now, on the average across Canada, about 4 per cent of personal incomes, compared with about 5.8 per cent immediately before the war. Therefore, although I have no doubt the situation varies widely in particular cases, municipalities have on the average achieved a relative reduction in the effective burden of real estate taxes.

Here are the words of the Prime Minister in what apparently were his concluding remarks when he met the mayors of Canada in October last, a year after he said that he would meet them to resolve their problems. They came with a six point program, and they returned with nothing from the Prime Minister. His answer was: no.

What was this six point program? The municipalities asked for increased federal participation with municipalities in slum clearance. They asked for the allocation of National Housing Act funds to develop water and trunk sewer lines. They asked for federal aid with regard to street construction when the streets are part of an intercity or interprovincial highway system. They asked for the inclusion of capital costs in hospital construction in the operational costs of the provincial-federal hospitalization scheme. They asked for federal aid to the municipal works projects for winter employment; not the scheme which has been devised by the Minister of Labour (Mr. Starr). They asked for a scheme which would provide assistance, not only in the matter of employment and in the matter of labour costs but in the matter of supplies as well. Finally, they asked the government for the elimination of federal sales tax on municipal purchases.

[Mr. Martin (Essex East).]

Not one of those points was accepted, some of which, directly or by implication, were covered by the Prime Minister in the assurances which he gave in the course of the two elections, to the municipalities. They got the same kind of courteous treatment that they got from preceding governments, and they got the same explanation about the constitutional difficulties and the constitutional distribution of powers. They were told that the federal government had heavy social security obligations, heavy defence obligations, and because of these the Prime Minister said "There is nothing that we can do for you." That conference was, if any conference is, an indication of the real purpose for which the various assurances were given to the municipalities in the course of an election. Compare that last statement of the Prime Minister which I quoted with this one which he gave on May 30, 1957, at St. Patrice de Beaurivage, reported in the Montreal *Gazette* on May 31, 1957. The Prime Minister said:

A Progressive Conservative federal government would give the provinces and municipalities a larger share of the national revenue, John Diefenbaker said today.

The Progressive Conservative leader, in his first Quebec province speech of his current eastern tour, said this would permit the non-central governments to "discharge their constitutional responsibilities and to develop their natural resources".

Then listen to this:

Discussing his pledge to distribute more federal revenue to the provinces and municipalities, Mr. Diefenbaker said that "they are poor but the Ottawa government is rich".

All I can say to the Prime Minister is that that statement undoubtedly had the intended effect. It created the impression that a government which was rich would do something for these municipalities which were poor. He whetted their appetites, and if consequences flow from his present action he will have no one else to blame but himself and these words uttered on May 30 at St. Patrice de Beaurivage.

Mr. Speaker, what is the situation now? What is the record of the Prime Minister's method? Here we have a promise in an election speech in 1957 to settle this question with the provinces once and for all. No conference was called in September. One was called in the fall of 1957 as a result, I say again, of prodding by members of the opposition and the demands of certain provincial premiers. The record of *Hansard* for the fall of 1957 is there to prove what I say. The conference was called in November of 1957. It adjourned after two days. As I have indicated, it was to resume in January; the communique said so. The Prime Minister's letter to Premier Campbell

at the end of December 1957 said so likewise, but no conference has been reconvened.

What did the federal government do? What did this government do, a government Which criticized the so-called arrogance of the preceding government, which criticized a government which gave formulae which the Prime Minister said were on a take it or leave it basis? What did this government, which refused to negotiate with the provinces on equal terms, do? One day the Minister of Finance, in all of his glory, stood up in this house and told us that he had telegraphed the provinces and that he had provided them, as spokesman for the government, with further grants which would total some $62 million, and if account were taken of the Atlantic provinces, this figure would total $87 million.

First of all, that was a unilateral act. That was a decision arrived at not as a result of a conference, but as a result of a decision made by this government which for some reason or other is now reluctant to meet the provinces again regarding this matter of fiscal relations. He told the provinces, "You will be getting another $62 million." He told the Atlantic provinces, "You will be getting a fixed $25 million." There was to be granted some $7.5 million to three of the maritime provinces, and I think $2.5 million to Prince Edward Island. The provinces, on the basis of this particular unilateral act, framed their budgets, many of them only to find themselves now in the face of falling revenues in an embarrassing position. But I will deal with that later.

As I say, the provinces were advised by telegram, and whatever the Prime Minister may say there is no justification for that kind of action. Incidentally, as we all recall, the figures used in the telegrams were not accurate. As a matter of fact, the Minister of Finance will, I am sure, tell me if I am not right in saying that the information given him as to the share of each province of that $62 million was on the basis of figures not provided him by any civil servant in the government of Canada, but by Mr. George Gathercole of the department of finance in the government of the province of Ontario. I see the hon. minister laughs, but this is an important matter. He can deny right now whether or not my statement is true. If it is true, it is an unfortunate reflection on the confidence that the Minister of Finance should have demonstrated at that time in his own officials. Then in the session of 1958, no conference having been convened, we kept on prodding the government, but all we were able to get from the Prime Minister was an assurance that there would be a conference with the municipalities.

Dominion-Provincial Conference

The next chapter in this sorry record of government failure was the further unilateral action of the government, this time using the vehicle of the speech uttered by the representative of the crown, to inform the governments of the provinces that the government would continue for a new year this arrangement which had been announced by telegram, which was both unilateral and irregular. This government, which has now been in office 18 months; this government which was going to solve this problem for all time, now deals on a year to year basis—on a unilateral basis—imposing its will and giving evidence of its distrust of common discussion and negotiation, and says to the provinces: here is what we are going to give you; if you do not want it; as the Minister of Finance (Mr. Fleming) said the other day to Mr. Fines: propose something else. Now we have reached the present situation and we find that the government still refuses to tell us when they are going to call a meeting of the provinces, as was promised and by their own spokesmen and supporters.

One of the things which the Minister of Finance has failed to remind this house in speaking of this arrangement for an additional $62 million was this: that it now turns out to be about half of that sum, and the hon. gentleman will correct me if I am wrong.

Mr. Fleming (Eglinton): If I were to take up the time of the house by correcting all the errors in the hon. gentleman's speech I am sure he would not get started again for a long time.

Mr. Martin (Essex East): That evasive reply is characteristic of my former classmate who was more punctilious as a student than he has learned to be as a minister of the crown. But the answer confirms what I said—

Mr. Fleming (Eglinton): No, it does not.

Mr. Martin (Essex East): —that this statement made by the Prime Minister in Winnipeg that the government intended to give the provinces another $62 million was not correct, and that the telegram sent by the Minister of Finance on the eve of the election was misleading because the $62 million has turned out not to be $62 million at all. It is true that the formula was raised. This government said that instead of continuing the formula of 10-9-50 of the St. Laurent government it would produce another formula based on a proportion of 13-9-50, that is, 13 per cent of income taxes, 9 per cent of corporation taxes and 50 per cent of succession duties. But, in fact, it is not any such thing. What the Minister of Finance failed to do when he sent his telegrams to the provinces was to tell them there was not going to be any

change at all in the stabilization clause. He was also very remiss in not telling them that the final sum depended on whether or not there would be an increase or a decline in revenues from these three tax fields.

Mr. Fleming (Eglinton): Do you not think they understood that very well?

Mr. Martin (Essex East): The hon. gentleman asked me whether I do not think they understood that very well. I think that no one could give a proper interpretation to the meaning of the telegram which the Minister of Finance sent and which, shortly afterwards, he had to correct in this house.

Let us see what the situation is with regard to at least six of the provinces on the basis of the fiscal year 1958-59 in comparison with revenues received in 1957-58. Six of these provinces did not receive from this government what the Minister of Finance and the Prime Minister said they would receive. That is the situation. For the fiscal year 1958-59, Newfoundland expected $25,214,000, and received $24,213,000; Nova Scotia expected $36,691,000 and received $34,595,000; New Brunswick expected $30,990,000 and received $29,518,000. In Manitoba there was an expectancy of $35,755,000 and the province actually received only $33,202,000. In the case of Saskatchewan it was anticipated the province would receive $36,552,000 and received only $33,885,000. In the case of the other province, $48,231,000 was expected and the actual yield will be about $45,836,000. Thus, all that the provinces really received, apart from some possible $30 million, was what they had already received from the previous administration, namely a guarantee that they would receive 95 per cent of what they had received in the preceding year. This was a guarantee put into the tax agreement by Mr. Harris in respect of the agreements which became effective on April 1, 1957.

And so, when the Minister of Finance and the Prime Minister spoke about this great new change on a unilateral basis they neglected to indicate that there would not be a corresponding change in the stabilization clause, as I have already pointed out. But we must not stop there, because this is a serious matter for the provinces; it is the kind of matter one is forced to discuss in this house in detail because this government refuses to meet the provinces and permit them to have a discussion on these very questions which mean so much to the operations of government in the ten provinces. When one realizes that in a province such as Manitoba almost 40 per cent of the total budget is spent out of grants made by the federal government, and that the same is generally true of all the other provinces with the exception of Ontario and Quebec, one can see how much this question means to the provinces. Thus we are forced to do in this chamber what the provinces would normally be doing themselves at a dominion-provincial conference.

I say to the Prime Minister that not only did he overstate the case in so far as the yield to the provinces for 1958-59 is concerned, but that the situation in 1959-60 will be that several provinces will receive less than they received in 1958-59. These provinces are Newfoundland, Nova Scotia, New Brunswick, Manitoba, Saskatchewan and Alberta. The hon. gentleman seems to question this. He looks somewhat mystified at my statement. Does he challenge the statement I have just made that these provinces in the fiscal year 1959-60 will receive less than they will have received in the fiscal year 1958-59? I have seen this estimated on the basis of the hon. gentleman's estimates tabled the other day. The figures will support it, and I hope that when the Minister of Finance speaks he will indicate whether or not I have stated the situation correctly.

I have been giving the reason why I feel this conference should be called. I have put side by side the plan of the previous administration and the plan of this government with regard to fiscal arrangements with the provinces. We have not yet received from this government any firm statement as to what the Prime Minister meant when during the course of an election he said he was in favour of the principle of equalization.

We all remember in this house how in the winter session of 1957-58 we sought to ask the Minister of Finance to tell us whether or not he would agree to the extension of the principle of equalization beyond the year. This is something which means a great deal to the provinces because under the equalization clauses payments are made to all the provinces except Ontario, bringing their receipts up to what they would have been if the three taxes yielded as much as the average paid by residents of British Columbia and Ontario.

This means everything, not only to the maritime provinces but to every province in our country except the province of Ontario. Yet we do not know from this government which was going to resolve once and for all this matter of fiscal relations what its attitude is regarding equalization. The Prime Minister was the only member of the government who sought to deal with this question at all, and it was after his speech in Massey hall when he found the reaction in the west was such as to warrant the suggestion that he, the Prime

Minister, had been "taken in" by Mr. Frost who could get his $100 million only at the expense of provinces like Saskatchewan and Manitoba. But the Prime Minister is a good politician, and I mean that in the best sense of the word; he is dexterous, tactful and imaginative. He addressed himself to the people of Manitoba and said, "No, that will not happen. I am going to look after the poor provinces like my own, the province of Saskatchewan and the province of Manitoba because I, too, am in favour of the principle of equalization."

I ask the Prime Minister at this time what he meant by that. On what basis will he have the equalization clause operate? Will it be on the basis of the national average? On what basis will it be? We must know; otherwise it means no more than the friendly observation of Mr. Coolidge who said he was against sin. That is all the Prime Minister's statement means: "I am in favour of equalization but do not ask me to tell you what I mean by equalization because I either do not know or I might be embarrassed by what I should have to say."

Mr. Macdonnell: Mr. Speaker, am I not correct in pointing out that Mr. Coolidge did not say he was against sin. As I understand it he said the parson was.

Mr. Martin (Essex East): I accept that theological intervention of my hon. friend and I shall accept his interpretation of what Mr. Coolidge did say. I am less interested in presidents of the United States than I am in the present Prime Minister of Canada.

I mentioned several reasons for the calling of this conference including the present muddle of fiscal affairs, the necessity of doing something about human rights and the matter of being able to amend the constitution in so far as it applies to the federal government. There is another reason why a dominion-provincial conference should be called and that relates to the problem of unemployment.

I appreciate that the Minister of Labour in the last few days has been very touchy on this subject. I understand that because I know he has been working extremely hard and I have a suspicion that he does not get in regard to this matter the kind of co-operation that his energy and his devotion to duty really deserve. Because of that I do not want him to think I am making any personal observations when I tell him that the situation now is even more serious than some of us have already been able to indicate. For instance, in looking at the most recent data, a press release issued jointly by the Department of Labour and the domion bureau of statistics dated January 20, 1959, I find in the second paragraph a statement about which we should be reminded at this time and which I think is worth quoting in full. As I say, the Minister of Labour will understand the spirit which moves me in reminding him of this paragraph which I am sure he has by this time learned by heart. It reads as follows:

> Unemployment continued to rise more slowly than last year. The number of persons without jobs and seeking work was estimated at 440,000 in December, 79,000 more than in the previous month and 48,000 more than a year earlier. Those on temporary layoff numbered 26,000 up from 18,000 in November but slightly less than last year. The seeking-work figure was 7.2 per cent of the labour force in December, compared with 6.5 per cent in December 1957.

The paragraph illustrates a worsening condition on three counts: more persons seeking work than a year ago, more persons seeking work than in the preceding month, and finally a greater proportion of the labour force without jobs and seeking work than was the case a year earlier.

As a matter of fact I have before me here —and this is available to all hon. members of the house and I am sure the Minister of Labour knows it—a document entitled "Comparative Data from the Dominion Bureau of Statistics Monthly Labour Force Survey, Revised Estimates, from January 1954 on". One of the conclusions to be drawn from this, if one looks at the last column, is that in March of 1956, 6.6 per cent of the paid workers were without jobs and in March 1958, 12.1 per cent were in that category. One could go on citing other comparisons indicating the seriousness of the situation. As the Minister of Labour, I know, has already pointed out to his colleagues, this is a serious state of affairs.

A detailed picture of the regional impact of unemployment is contained in the publication of the dominion bureau of statistics entitled "The Labour Force, December 1958" and on the basis of what is contained in that document we find that the number of persons without jobs and seeking work not only for Canada as a whole but for various regions of Canada reflects a very disturbing situation. It shows that the problem of unemployment is bearing down heavily on particular regions where the volume of unemployment is greater than the national average.

I wish to read into the record the percentage of persons without jobs and seeking work, representing the labour force in Canada, and giving the percentage for Canada and its regions. After he has a chance of

examining these figures I challenge the Minister of Labour to tell me whether or not my statement is correct. The figures are as follows:

	Per cent
Canada	7.2
Atlantic region	14
Maritimes	10
Newfoundland	27
Quebec	9
Ontario	5
Manitoba	4
Saskatchewan	4
Alberta	4
British Columbia	8

The press release of January 20 to which I have already referred makes the following comment with respect to the Atlantic region:

> The increase in unemployment was widespread in December and resulted in the reclassification of 13 of the 21 areas from the moderate to the substantial surplus category.

Since that comment was made on January 20 we now know there has been a mass layoff of 4,000 persons in the Nova Scotia coal mines. On Tuesday, February 3, 1959, I asked the Minister of Labour for the number of unplaced applicants in relation to paid workers for Canada as a whole. The question and the answer given me will be found at page 667 of *Hansard* of that date. The question reads as follows:

> What is the percentage of unplaced applicants in relation to paid workers as at December 31, 1958, in the following Canadian communities:

I draw the attention of the house to the answer filed by the Minister of Labour in response to my question:

> The percentage of persons registered for jobs at all national employment service offices across Canada to the total number of paid workers, as reported by the dominion bureau of statistics monthly labour force survey during the week ending December 13, 1958, the latest date such figures are available, was 11.4 per cent.

That is not my statement. That was the reply of the Minister of Labour.

Mr. Starr: I wonder if the hon. gentleman would read the rest of the answer?

Mr. Martin (Essex East): The answer covered two or three pages.

Mr. Starr: I refer just to the next consecutive paragraph that followed the one just read by the hon. member.

Mr. Martin (Essex East): I do not have it before me but I want to be fair and if there is anything my hon. friend wishes to produce I invite him to do so at this time.

Mr. Starr: I should like to read the next paragraph in the answer because there is no relevancy between the two figures to which you referred. The concluding paragraph of that answer as reported at page 669 of *Hansard* of February 3, reads as follows:

> The figures of paid workers include those with jobs and those without jobs and seeking work but do not include employers, own account workers and unpaid family workers all of whom are included in the total labour force figure.

There is no relevancy between the two figures referred to by the hon. member.

Mr. Martin (Essex East): The paragraph my hon. friend has read certainly does not help him. It really makes the situation worse because it does not include self-employed workers. I want to be fair to him but I think he will recognize that what I am saying is true. The true significance of my hon. friend's reply today and in the written submission he tabled—and it ought to be drawn very forcibly to the attention of the administration—is that it simply means that 11.4 per cent of the paid workers, that is, salary and wage earners, are registered for jobs at national employment service offices in our country. Paid workers is a less broad group than the total labour force. As I said a moment ago, it does not include employers, the self-employed and unpaid family workers, all of whom are included in the total labour force figure. In that sense, and I make this additional comment, the paid worker group measured against the number of unplaced applicants can be regarded as a more precise measure of unemployment.

What is my authority for this statement? I give as my authority a statement that appeared in the bulletin, *Labour Research*, of the Canadian Congress of Labour for January to April, 1958. Here is the statement:

> For our purposes, it is perfectly ridiculous to measure unemployment against a conglomerate mass of workers, employers, the self-employed and unpaid family workers. The unemployed are looking for work as wage earners or salary earners, nothing else. So they should be taken as a percentage of the total number of people who have or are looking for wage and salary jobs. Who ever heard of an unemployed employer? Who ever heard of an unemployed self-employed? Who ever heard of an unemployed unpaid family worker? Of course there are unemployed people who have been employers, or self-employed, or unpaid family workers. But they are not now; and not one of them will present himself at an N.E.S. office or anywhere else asking for a job as an employer, or asking to be set up in his own business or given a farm, or asking for a job as an unpaid worker in a business or on a farm.

I would think that the statement in the Canadian Congress of Labour bulletin, *Labour Research*, would be regarded as logical and would not be contested by the Minister of Labour. On the basis of taking unplaced applicants as a percentage of paid workers, as I pointed out the latest data at our disposal

show that 11.4 per cent of paid workers are registered as unplaced applicants at the national employment offices.

In the face of this situation I say to the Prime Minister: Is there any overstatement or any extravagance in the suggestion that the Prime Minister must, without delay, tell the house what his intentions are regarding the calling of a dominion-provincial conference if for no other reason than to deal with the problem of unemployment on the basis of the Prime Minister's speech in 1955 and the recommendation of the leader of the opposition of that day that the provinces should be called together to deal with unemployment, a matter of joint intergovernmental responsibility in a country like our own? If the Prime Minister refuses then he cannot be regarded as having carried out his promise of seeing to it that "if I become Prime Minister no one will suffer as long as my government is in office."

If the Prime Minister, who undoubtedly meant what he said when he used those words, wants to give proof of that sincerity let him tell the house frankly now why, in spite of the agreement that there would be a reconvening of the conference, the government persists in not calling it and in not giving any reason for it not being reconvened. I repeat that in my judgment his failure to do so will constitute contempt of parliament and contempt of the provinces.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Hon. gentlemen say, "oh, oh". There are people in this country who have governmental responsibilities as well as the federal government and who are demanding that the conference be reconvened. Among them are the premier of Manitoba, the premier of Ontario, the premier of Saskatchewan, the premier of Newfoundland, the premier of Prince Edward Island, the premier of British Columbia and the premier of Alberta. Are we to disregard their demand? If we disregard them, are we to say that does not constitute contempt, does not constitute contempt of parliament?

Mr. Grafftey: It is not contempt of parliament.

Mr. Martin (Essex East): The hon. and very learned parliamentarian from the eastern townships says that does not constitute contempt of parliament. I like my hon. friend and I know he has a great knowledge of constitutional and parliamentary practice, but he will not mind if I say that his disagreement with me on this subject in no way lessens my assertion.

We have given reasons why a conference with the provinces should be called, and before taking my seat I want to try to analyse the reason why the government has not met the provinces. Can it be that the government, in the light of heavy deficits now confronting it of at least $700 million on the basis of the statement of the Minister of Finance, would be embarrassed by additional demands on the government? We know what Mr. Frost's formula is now. Our formula was 10-9-50; the present government's formula is 13-9-50; Mr. Frost's formula is 15-15-50; then we know that Mr. Duplessis' formula is 50-50-50.

An hon. Member: It is 50-50-100.

Mr. Martin (Essex East): Is it because the Minister of Finance knows that if the conference were reconvened he would have demands from the provinces, including the province of Ontario, that would add to the obligations of the federal government by several hundreds of millions of dollars? Is that the reason why the conference has not been called? Is it also because the premier of Manitoba and the premier of Saskatchewan have joined together with the premier of Ontario in support of the latter's formula of 15 per cent of income taxes, corporation taxes and succession duties? The premier of Manitoba also proposes that the equalization clause should be tied in, not to the wealthiest provinces, British Columbia and Ontario, but to Ontario alone.

Is it because the Minister of Finance feels that now, having a deficit of close to $1 billion, we say—he says $700 million—he does not want to add to that burden? Is it because of financial reasons? If those are the reasons, then why should the government not rise and tell the house frankly that that is the situation. I think we would respect the Prime Minister and the Minister of Finance if they took that course, but to sit here day after day and give no reason gives us, of course, the right to conclude that there are other reasons besides the ones I mentioned, and I am now going to give some of those other reasons. There is to be a provincial election in Ontario very soon. There is to be a provincial election in the province of Manitoba very soon.

Mr. MacLean (Winnipeg North Centre): We will take care of you, too.

Mr. Martin (Essex East): Mr. Frost told the legislature on Friday, "I am still after my $100 million and more"—he is even adding to it—"but I must tell the legislature that I have great faith in John and I know that his study of the program now is going to result in a real reassessment of the whole tax structure of our country, but I want my

$100 million and I am going to get it whether or not that reassessment justifies it."

Mr. Roblin is in a very difficult position because he is going to have an election too. He needs this additional revenue. He is in favour of the 15-15-50 formula, but if there is a dominion-provincial conference now and it is turned down what is he going to say to the people of Manitoba? He is going to come back on that agreeable train that proceeds from Ottawa and arrives in Winnipeg at 10 o'clock in the morning. He will meet the newspapermen and have to say, "Sorry, boys; I have a lot of faith in John, but he let me down this time." I know that no one is naive enough to think Mr. Roblin is going to take that course. The only way he can avoid taking that course is to have the genial Prime Minister do exactly what he is doing, and that is nothing.

Since he is not doing anything, the provinces are not able to discharge their functions, and the right hon. gentleman is not giving effect to the assurances that he gave to the people of Canada that he would, once and for all, resolve this problem involving fiscal matters with the provinces.

Then, I suspect that there is another reason. Mr. Duplessis has problems at home and so has the Conservative party problems in the province of Quebec. This greatly concerns, and understandably so, the rt. hon. gentleman who is not only Prime Minister but leader of the Conservative party. What would happen if there were a conference now and the premier of Quebec said, "We want 50-50-50, John". What would happen if he went back to the people of Quebec and did not have his 50-50-50? Would there not be an increasing estrangement between the present government and the government of Quebec?

Is there still another reason? Has the province of Ontario changed its formula altogether? Mr. Macaulay, who is now a member of that government, says that so far as he is concerned he would completely change the basis of the tax agreements. He thinks that the present basis of allocation is fictitious, wrong and inequitable. He would distribute grants to the provinces on the basis of the gross national product, forgetting of course that the dominion bureau of statistics does not provide the gross national product figure on a provincial or regional basis. However, it may be that these speeches delivered by Mr. Macaulay in the legislature and in by-elections would be very embarrassing at the present time to the provincial Conservative party and to the other Conservative governments throughout the country.

I say this to the Prime Minister: In 1957, he went from one end of Canada to another and, by the effectiveness of his speech, his capacity for debate, he gave a picture of sincerity which the people of Canada believed. Now, I am saying this to him as one man to another across the floor—my hon. friend now laughs, but he did not laugh during the election. He said this arrogant St. Laurent government has overlooked the interests of the provinces; it has not been concerned with the proper allocation of powers and revenues. It has embarked on a policy of centralization, but give me a chance and I will give you a new heaven and a new earth. That is what the Prime Minister said. If he wants us or if he wants the people of Canada to continue to have faith in his assurances, he cannot renege on this question any longer. We on this side of the house will, day after day, ask him questions about his intentions and the intentions of the government, until they discharge their obligations to the people of Canada and to this parliament.

For these reasons, Mr. Speaker, I move, seconded by the hon. member for Kenora-Rainy River (Mr. Benidickson):

That all the words after "that" be deleted and the following substituted therefor:

"This house is of the opinion the government should call a federal-provincial conference at once to deal with serious problems of common concern such as unemployment and fiscal relations."

Mr. Hazen Argue (Assiniboia): We in the C.C.F. agree that the immediate calling of a federal-provincial conference at this time is absolutely necessary. We believe that Canada today has an economic crisis and that the treasuries that have the most difficulty meeting this crisis are the treasuries of the provincial governments. Our country at this time faces widespread unemployment. This is a great burden on our provinces and on the municipalities. The provinces, by our constitution, are required to take care of the costs of education, roads and public health. They find themselves in an impossible position, with falling provincial revenues and with reduced payments from the federal treasury.

Is this government to allow the Canadian economy to drift into a deeper and deeper recession? Is the government to be satisfied with the very tiny effort now made to deal with unemployment? Is the Minister of Labour (Mr. Starr) himself satisfied with the government's winter works projects that have placed directly less than 20,000 people at work? Is the government prepared to allow the provincial governments to face greater and greater difficulties in obtaining the money necessary to carry on their services and obtaining money in the capital markets? Is the government prepared to allow the municipalities in this country to face higher and

higher costs with greater and greater difficulty in obtaining revenues?

There are many things that members on the government side of the house fought for while they were in the opposition. They were the champions of the rights of many Canadians. They were the champions of a bill of rights as has already been stated this afternoon. They were certainly the champions of provincial rights. Leaders of the opposition in years gone by such as the Hon. George Drew and the present Prime Minister (Mr. Diefenbaker), when he was in opposition, session after session, day in day out, castigated the former government for having gobbled up the lion's share of taxation revenues in this country. They castigated the former government for not having called, on a regular basis, a federal-provincial conference. How their voices were raised in this chamber whenever the government announced financial policy without discussion of the question with the provinces.

But anything that the former Liberal government has done in the past by way of insulting the provinces, by way of overlooking the provinces, is very small in relation to the arrogant attitude of this government toward the provinces during their 17 months in office. When this government came into power there was to be a new federal-provincial conference called immediately in September. The conference was not held until November. When the conference adjourned there was to be a new conference early in the year. This was not just a statement from the government or from the Minister of Finance (Mr. Fleming) or the Prime Minister. This was a statement contained in the official communique, the agreed upon communique, published at the conclusion of the conference. It was agreed that a subsequent meeting be held as soon as possible in the new year, in accordance with a proposal made by the dominion government in calling this conference.

There we have the pledged word of the federal government that a new conference would be held at the beginning of 1958. Was such a conference held? Of course it was not held. Were the provinces consulted as to whether this conference could be postponed from early 1958? There was no consultation. They were not asked whether they would like to postpone the conference. Instead, the Minister of Finance sent a telegram to the provinces. This is the kind of arrogant attitude from which this government should keep away. The telegram did not reach all the provinces in time. It did not reach the province of Saskatchewan. The premier was obliged to read about his telegram in the newspapers and finally, I assume by some other means the communication was delivered to the premier of Saskatchewan.

There was to be a conference in 1958. It never took place. Does this government have any intention now of calling another federal-provincial conference? There is no indication of it. It was bad enough that the government served notice on the provinces by the telegram of January 24, 1958 that they were taking certain unilateral action with regard to federal-provincial payments. But after having been safely returned to office, after having been given the largest majority ever afforded a government in the history of this country, what is their action with respect to the provinces? With this all-powerful majority they say, "We are not obliged to discuss anything with the provinces; we are not compelled to keep our pledged word and have a federal-provincial conference. If the opposition moves an amendment we will call in the members and will vote them down even though the amendment is asking the government to keep their pledged word". Apparently their pledged word means little or nothing to the government. In the speech from the throne the government tell the provinces what is to be done. Here is what we find:

> My government will recommend an amendment to the Federal-Provincial Tax Sharing Arrangements Act to extend for another year the increase made last year in the provincial share of personal income tax revenue.

Then the speech goes on to say that it is intended that a continuing committee of provincial treasurers will study the whole question of federal-provincial relations. Mr. Speaker, this is not good enough. Does the Minister of Finance not recall the many speeches he himself made when he was in opposition asking for a federal-provincial conference to deal with the extremely important questions which such a conference should now consider? Of course he recalls them. But when, as a member of the cabinet, he had the opportunity to make a recommendation that would go into the speech from the throne, he does nothing. There is to be no conference. The government says to the provinces, "Here is what you will get", on a "take it or leave it" basis.

I think this attitude is not only an insult to the provinces but is completely incomprehensible in the light of the statements made by members of the present government when they were in opposition. I have in my hand a statement that was made by the present Prime Minister on July 24, 1956, as

reported at page 6370 of *Hansard* of that day. He had this to say about a federal-provincial conference:

> I believe this. I think it is fair to say that the attitude taken by the government at the last conference was an arbitrary one. The government simply said, "These are the terms".

This government did not do that. They had the conference. They let the premiers talk. Then after the premiers had gone home, they sent them a telegram. Instead of telling them face to face "These are the terms", they sent the terms in a telegram. The Prime Minister went on to say this:

> No opportunity was given for amendment or for amelioration of any term. The recipe for a division of taxation was as final as the laws of the Medes and Persians; and how similar that attitude was to the attitude of the government in this house, which is that power makes perfect anything they do.

What could be more true of the government in power at the present time? Then the present Prime Minister, on July 24, 1956, went on to say this:

> There was no opportunity for negotiation; there was simply the attitude of a feudal lord bringing into being a modern feudalism and laying down the law to the vassals.
>
> That is not the attitude, that is not the consideration to which the provinces are entitled under a constitution which allocates powers as between the federal and provincial governments. That is not an attitude which will remove the road blocks which today deny Canada the development which should indeed be hers. I feel that even yet if there were an attitude on the part of the federal government to negotiate, terms could be achieved which would be acceptable and which would go a long way toward solving this difficult and complex problem.

We could understand the position of the government today if they were following a consistent policy they had taken over the years. But the government in office today is following precisely the opposite policy of that laid down by the Prime Minister in 1956. He said then that if such a conference were called,

> —terms could be achieved which would be acceptable and which would go a long way toward solving this difficult and complex problem.

What is the attitude of the provinces and the municipalities? Have they endeavoured to co-operate with the government? I think they have done so. They have been most anxious to co-operate with the government. They have co-operated on the winter work program. More and more provinces are co-operating in the hospitalization program. By their action they have shown that all this government needs to do, in order to obtain co-operation from the provinces, is to show some leadership in the field of development and in the field of extending social services. If the federal government called a conference

I have no doubt that the provincial governments in attending the conference would take a co-operative attitude. As a matter of fact in this house the other day, in discussing the way in which the governments of the provinces have co-operated with the federal government, the Minister of Labour said that if the government had from members of the opposition "the same co-operation and constructive and reasonable suggestions" as they obtained from the provinces and the municipalities and organizations and individuals across the country, more and more would be gained. We have there from the Minister of Labour a statement that the provinces and municipalities have shown co-operation, and have put forward constructive and reasonable suggestions. If that is the attitude of the provinces, why does the government refuse to call a conference? Why does the government refuse to bring them in so that discussion can take place and action can be taken on the great Canadian problems of unemployment, high interest rates, agricultural crises, inflation and many others that are facing this country? The government's action has not been one to help the provinces or the municipalities.

We heard so much for so long of a conference that was to be held with the municipalities. It was not an officially constituted conference at all. It was a kind of listening conference. The municipalities came down and did the talking, and we expected that the Prime Minister would do the listening.

Just the other day Mr. Claude Jodoin, president of the Canadian Labour Congress presented for the C.L.C. their brief to the Prime Minister and his cabinet. After presentation of this comprehensive brief the Prime Minister took it upon himself to lecture the Canadian Labour Congress and to tell them that they cannot have it both ways. He said, "You cannot have increased expenditures and reduced taxes." If they had been reading the Prime Minister's speeches in the past, they would have seen that that was quite possible. The Prime Minister campaigned in two elections. He said, "The Liberals and others say you cannot have it both ways. Give me a chance and I will show you that you can reduce taxes and increase expenditures."

That was to be a listening conference from the standpoint of the Prime Minister and the government. The municipalities came here, presented their case to the government, and not only did the Prime Minister hold out no promise of assistance but he told them to go back home and to increase their taxes. What an original idea. What kind of advice was that to give in relation to very heavy

costs of municipal services. There is scarcely an authority in this country which would not say that real property taxes are very high and should not be increased.

The Prime Minister goes back, according to this newspaper report, to a comparison of real property tax—a municipal property tax as compared with net income—and says that before the war the percentage was 5.8, but since then it is down to 4 per cent. Why should the Prime Minister suggest to the municipalities that they should have the relatively high taxes that they had in a period of depression? Surely that is not the kind of advice that municipalities should be given by the Prime Minister of this country.

Of course, municipal taxes may have to be increased as a result of action by this government. This is the government that was going to have a federal-provincial conference early in 1958. Then they gave the lamest excuse possible why they could not have a conference, that the session was going on. Since when has a session of parliament meant that the Minister of Finance had to stay in the house all the time? Since when has a session meant that the Prime Minister had to stay in the house all the time? I do not know when cabinet meetings are held. Rumour around the corridor has it that many cabinet meetings are held with the house in session, and I think that rumour must be based on the attendance of cabinet ministers in general. I do not expect them, of course, to be here all the time, but certainly a federal-provincial conference can be held at any time whether parliament is in session or not.

One of the reasons why the municipalities of this country require action to help them now is the increased difficulty which they are experiencing in raising money necessary for capital improvements. One of the reasons we need a federal-provincial conference at this time is to enable the provinces to provide the capital necessary to carry on expansion in the provinces. Since this government has taken office, since the bond conversion program the cost of provincial credit has increased. The cost of municipal credit has also increased. This government is making it more and more difficult for provinces to finance. That is their responsibility. This government is making it more and more difficult for the municipalities to carry on. This is the policy of a government that was going to reduce the high interest rates which had been charged under a former administration. This government was going to get rid of the tight money policy, yet the rediscount bank rate at the Bank of Canada for Thursday last was 3.62 per cent, one of the highest rates that this country has ever experienced. As I say, this government, by its high interest policies, is making it more and more difficult for the provinces to finance the programs for which they are responsible.

One of the additional reasons why we need a federal-provincial conference is to deal with the whole question of unemployment. As one picks up the newspapers from time to time these days one finds statements that give great cause for concern. The amendment specifically says that one of the reasons we should have a federal-provincial conference is to deal with unemployment. In the Montreal *Gazette* of February 7, there is a news item which says:

> Some 42,000 Newfoundlanders—one out of every ten—are now on relief and another 75,000 are largely dependent on federal unemployment insurance benefits.

The article goes on to say that Newfoundland faces a public debt of $80 million, that Newfoundland has greater and greater difficulty meeting its financial obligations, and that Premier Smallwood had been in Ottawa in an attempt to get a sizable federal grant and to get money in keeping with the recommendation for an increase made by the royal commission. If one reads about the condition of the province of Newfoundland he sees that that province faces a real financial crisis.

Unemployment in this country is serious. It is serious in every province. In spite of the government's glib statements, unemployment is still with us. I have in my hand a newspaper report dated February 3, 1959, headed "'We want work' flags in B.C. lobby march". It goes on to state that the British Columbia federation of labour, its leaders and unemployed workers have participated in a march on the capital of Victoria, pointing out the very serious unemployment situation in that province. They made the statement to Premier Bennett that more than 70,000 persons are without jobs in the province, and many have their backs to the wall. William Black, the president of the British Columbia federation of labour, recalled the terrible days of the thirties. "Mr. Black said that he would never have guessed we would return to the poverty of those days. Today the situation is much more desperate". A Conservative government in office in the thirties was unable to deal with unemployment in an effective manner.

A Conservative government is in office today, and we have widespread unemployment. They have no policy to deal with unemployment and remove the huge numbers from the unemployment rolls. We have a government which even has no policy to provide for an early federal-provincial conference in keeping with its own promises to the Canadian public.

There are other things that such a conference should deal with. The provinces have great calls on provincial finances. There is room for much discussion at such a conference of the whole field of education. There should be a great amount of consultation and study in order to obtain a program of assistance from the federal government which will make education in this country available to all Canadians who are capable of acquiring a higher education. Then there is the question of a modern highway program. We are 40 years behind the United States in providing a system of modern federal highways.

This is the type of over-all program which should be considered at such a conference, and it should be considered in such a way as to provide employment, and to provide these very important services in an expanding economy. At a federal-provincial conference consideration should be given to the whole problem of marketing agricultural products and giving to the producers of those products a fair return for their labour. This government should not stand idly by while many farmers in this country are eradicated by vertical integration and removed from the normal type of farming which we have known for so many years. This is the kind of problem which should be discussed at a federal-provincial conference.

The premiers of the provinces have been asking for a conference. Premier T. C. Douglas of Saskatchewan wrote to the Prime Minister on September 19 asking for such a conference. And it is no wonder they are asking for a conference. Not only are they faced with greater difficulties in obtaining revenue by taxation and not only are they faced with higher interest rates on the money market, but they are faced with the latest insult contained in the estimates which were tabled in this house the other day which showed that the special payment which the great majority of the provinces would receive from the federal government for 1959-60 will be less than they received in 1958-59. Oh yes, these were just tentative figures placed there to indicate what the Minister of Finance expected to happen. But before the election the figures showed that the provinces would receive a great deal more money than in fact has accrued to them; and according to the latest figures tabled in this house the government does not hold out any hope at this time that they will receive as much money as was forecast in January.

A federal-provincial conference was solemnly promised. It was promised for April, 1958. The government advanced a phoney excuse as to why a conference could not be held at that time. The government said it could not be held while parliament was in session because, presumably, the Prime Minister, the Minister of Finance and other members of the cabinet were too busy. Of course, the conference might have been held last fall had the Prime Minister or the Minister of Finance been in Ottawa at the time. But where were they? The Prime Minister was on a world tour and the Minister of Finance, not to be outdone, said: I am going on a world tour, too. They both went and I am sure they studied very carefully the financial positions of the countries they visited. Perhaps they studied the finances of the provinces of some of the countries they visited. They should have stayed at home, Mr. Speaker, and held a federal-provincial conference to deal with the problems of unemployment and inflation and to deal with the difficulties in which the agriculture industry finds itself today. But no. They have no time for the provinces; they have no time for a federal-provincial conference.

Between sessions this has become a suitcase government and a suitcase cabinet. As soon as the session is over ministers charter transport for a trip to as many countries as possible for a long as possible. They pack their suitcases and while the country faces an unemployment crisis and a crisis of inflation and while the agriculture industry is in difficulties no dominion-provincial conference can be called because the Prime Minister and the Minister of Finance are not available.

The present attitude of the federal government, if it remains unchanged, threatens the financial solvency of the provinces of this country. If this attitude does not change it will condemn the Canadian people in the course of the next three years or longer—the term of office of this government—to continuing widespread unemployment. If the present attitude of the government does not change, vertical integration will wipe out thousands upon thousands of farmers who are today still endeavouring to take a living in an ordinary way in the agriculture industry. We have often heard the Prime Minister and the Minister of Finance when in opposition call upon the government of the day to hold a federal-provincial conference, to take the provinces into the confidence of the government and to undertake financial policies which would enable the provinces to meet their constitutional responsibilities. I call on the government and I challenge the government to do those things that it said, in opposition, it would do if the people of Canada placed confidence in it.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am sure the house is indebted to the hon. gentleman who represents Essex East (Mr. Martin)—should I say to the social and economic planner for Essex East—for introducing the present amendment into this discussion today. May I remind you, Mr. Speaker, of the terms of the amendment. The hon. gentleman moved, seconded by the hon. member for Kenora-Rainy River (Mr. Benidickson):

That all the words after "that" be deleted and the following substituted therefor:

"this house is of the opinion the government should call a federal-provincial conference at once to deal with serious problems of common concern such as unemployment and fiscal relations."

Mr. Speaker, will you permit me one preliminary observation about the breadth of this debate. The hon. gentleman, you will observe, speaks generally in his amendment about calling a conference to deal with serious problems of common concern. He has introduced at the end of his amendment the two subjects, unemployment and fiscal relations, merely by way of illustration. This is somewhat significant, Mr. Speaker, because you will recall that in the course of his two-hour long speech the hon. member for Essex East sought to justify his demand for the calling of a dominion-provincial conference at this time on many grounds other than unemployment and fiscal relations. Since he has sought to base his contention on these broad grounds I propose, Mr. Speaker, to meet him on his broad grounds and, indeed, on all of them.

I draw your attention, also, Mr. Speaker, to the similarity which this present motion bears to one which was introduced a year ago. I think this similarity portends a similarity of tactics in the course of the present session to those which we witnessed a year ago. It was on the first government motion in the 1958 session to resolve the house into committee of supply that the Leader of the Opposition (Mr. Pearson) seconded on that occasion by the hon. member for Essex East, introduced the following motion, which will be found in *Hansard* of June 2, 1958, at page 733:

That all the words after the word "that" be deleted and the following be substituted therefor:

"this house regrets that the government has failed to call a federal-provincial conference to discuss unemployment and other urgent problems of common concern to federal and provincial authorities; and that the government has failed to give assurance that it would maintain or improve the principle of equalization of direct tax revenues of the provinces embodied in the existing law."

Mr. Speaker, you will observe in the first half of the 1958 amendment the purport and indeed many of the terms are those that are reproduced in today's amendment. Last year that amendment was introduced only a matter of a fortnight before the budget was brought down and a two-day debate ensued in which, if you please,—it may have some bearing on the matter for the present—the Minister of Finance, among others as I recall it, took part. But when we came to the budget speech on June 17 I thought that the house had already heard sufficient on the subject of dominion-provincial relations. I referred to that fact and made reference to the debate that had occurred on the subject two weeks earlier. I said in effect that I thought there was no occasion, for that reason, to go into the subject all over again. And from that time on hon. members opposite have been saying, as they said during the course of the budget debate, "Isn't it shocking that the Minister of Finance did not discuss dominion-provincial relations in the course of his budget speech." It is extremely unfortunate that hon. members opposite are not capable of a little novelty, some small measure of variety. Do you see what they are doing today? They are simply trying to beat the gun again.

Mr. Pickersgill: It is not difficult.

Mr. Fleming (Eglinton): Why do I say that? You are well aware, Mr. Speaker, that in the throne speech the government indicated a course of action that would be submitted to this house with respect to the division between the dominion and the provinces of the revenues from the common fields of taxation. That was one of the things in respect of dominion-provincial fiscal relations proposed in the throne speech. I will have something to say in a moment about the other.

Today there was a motion on the order paper in this respect. I moved today and the house adopted the motion that at its next sitting the house should resolve itself into committee on the following government resolution:

Resolved, that it is expedient to introduce a measure to amend the Federal-Provincial Tax-Sharing Arrangements Act to extend for a further period of one year the rate of 13 per cent for standard individual income tax for the purpose of calculating the tax equalization payments to the provinces and the amounts payable to the provinces under the tax rental agreements.

It is perfectly obvious that my hon. friends opposite when they proceeded with this amendment today were well aware that the government had on the order paper and had advanced a stage today a resolution dealing with this very subject. But you see, they are not content. These are members of Her Majesty's loyal opposition who are determined to beat the gun. It does not matter to them that this means repetition of debate. Oh, no, Mr. Speaker, they wish to make it appear

to the people of Canada that it was their idea that something should be done at this session about dominion-provincial fiscal relations. And so, with this resolution on the order paper staring every one of them straight in the eye they nevertheless decided to take up the time of the house for these two days to debate a resolution to the effect that the house should now address itself to the subject of dominion-provincial relations and that there should be, if you please, a conference. This is an interesting tactic but indeed a familiar one since hon. gentlemen opposite find themselves in the situation where they do not know what to do in this house from one week to another.

I said, Mr. Speaker, there was perhaps something else of interest in the other part of last year's amendment. You will remember that as I read it the amendment moved last year by hon. members opposite said this:

> —and that the government has failed to give assurance that it would maintain or improve the principle of equalization of direct tax revenues of the provinces embodied in the existing law.

Why have they not added that today? You will notice, because it is so conspicuous, that they have dropped the second half of last year's amendment. It must be perfectly plain that they know well now, as I said to you they well knew when they brought in the amendment last session, that the government had already vindicated and upheld the principle of equalization.

Mr. Pickersgill: Mr. Speaker, I wonder if the minister would permit a question?

Mr. Fleming (Eglinton): Yes, Mr. Speaker.

Mr. Pickersgill: My question is a very simple one. Is the principle of equalization that the minister says the government has vindicated the principle embodied in the present law?

Mr. Fleming (Eglinton): Mr. Speaker, the principle of equalization as I assume my hon. friend defines it must have been embodied in the law of 1956, the Federal-Provincial Tax-Sharing Arrangements Act, because he was a member of the government that brought it in.

Mr. Pickersgill: Of course.

Mr. Fleming (Eglinton): You will recall that in the amendment we introduced to that legislation in the 1958 session we carried the principle of equalization farther than it had ever been carried before in the history of this country. We did it for the benefit of those provinces that are not in as favoured or strong a fiscal position as the provinces that provide for this purpose the standard test.

[Mr. Fleming (Eglinton).]

Mr. Pickersgill: Does it not treat them all equally?

Mr. Fleming (Eglinton): Mr. Speaker, my hon. friend feigns here to be the champion of the principle of equalization. It is an undeniable fact that in 1958 this government carried the principle of equalization farther than it has ever been carried in the history of this parliament and so my hon. friend will find that mantle does not fit. It is like a great many other mantles with which my hon. friend, the social and economic planner from Essex East, sought to adorn himself. They are in some cases very good mantles but on him they look like a notorious misfit. They never were intended to be worn by him and I shall have something to say as I proceed about the way in which my friend the hon. member for Essex East sought today to wear clothes that do not belong to him.

I draw attention to proposals that this government made to the house in the throne speech and upon which we sought the approval of the house and which I believe received the approval of the house in the votes which occurred at the conclusion of the throne speech debate and at various stages when amendments were disposed of that had been introduced by hon. members opposite. May I remind hon. members of the announcement in that respect contained in the throne speech in the following language:

> My government will recommend an amendment to the Federal-Provincial Tax-Sharing Arrangements Act to extend for another year the increase made last year in the provincial share of personal income tax revenue.

That paragraph outlined the government's intention to proceed in the manner I have indicated today as embodied in the resolution on the order paper which was advanced one stage this afternoon. But the government did not stop there. I shall now read the next following paragraph in the speech from the throne, the report the government gives to the house with respect to its program for the session. In this particular, with reference to dominion-provincial relations, the next paragraph in the throne speech reads:

> My government proposes that the entire subject of financial relations between the dominion and the provinces shall receive continued active co-operative study. All provincial governments are being asked to agree to the use, for this purpose, of the machinery of the existing federal-provincial continuing committee on fiscal and economic matters working under the direction of a committee consisting of the Minister of Finance and all provincial treasurers.

In the face of that clear statement, Mr. Speaker, in the face of a comprehensive study of the entire subject of dominion-provincial financial relations, how can any

member of the house laying claim to intellectual honesty come before the house and say that this government is proposing to do nothing to advance the study or discussion between the dominion and the provinces of the question of their joint fiscal relations? We have proposed concrete action in this respect. We have proposed that the entire subject, not part of the subject but the entire subject, of financial relations between the dominion and the provinces should be submitted to active, co-operative study by the representatives of the federal and provincial levels of government in this country. I will have something further to say in the course of my remarks, Mr. Speaker, about the method that is proposed and about the breadth and scope of this study, but I propose before proceeding on that theme to have a word further to say about some of the other striking aspects of the amendment and the treatment of this subject in general by hon. gentlemen opposite.

I think it is noteworthy, Mr. Speaker, that there is one other item of business on the order paper of the house dealing with this same subject. It is resolution No. 43 which appears on page 14 of today's order paper under the heading "Notices of Motion." It is a resolution of the hon. member for Kenora-Rainy River (Mr. Benidickson).

Mr. Benidickson: You know it will never be reached this session.

Mr. Fleming (Eglinton): I will have a comment to make on that subject. The resolution reads as follows:

> That, in the opinion of this house, the government should consider the advisability of calling a federal-provincial conference at an early date to discuss unemployment, fiscal relations and other matters of common concern.

There is certainly no variety in the language here, Mr. Speaker. It is quite evident that the hon. member for Essex East has scooped his colleague, the hon. member for Kenora-Rainy River.

Mr. Pearson: He seconded the motion.

Mr. Benidickson: Not at all. I seconded the motion.

Mr. Fleming (Eglinton): The Leader of the Opposition says that the hon. member for Kenora-Rainy River got the chance to second the motion. This is wonderful, Mr. Speaker. Such is the degree of co-operation prevailing among hon. members opposite that when one of Her Majesty's loyal opposition demonstrates his interest in a particular subject to the point of placing on the order paper a resolution the hon. member for Essex East, in the course of his appropriation of the resolution for his purposes from time to time, will very graciously accord to the first hon. gentleman the opportunity to second the motion introduced by the hon. member for Essex East. I notice something of a progression going on in the Liberal party amongst the members of Her Majesty's loyal opposition.

Mr. Pickersgill: Always progressive.

Mr. Fleming (Eglinton): You see, Mr. Speaker, this same resolution was introduced last year by the Leader of the Opposition and seconded by the hon. social and economic planner for Essex East. This year it is the social and economic planner for Essex East who introduces the amendment and the hon. member for Kenora-Rainy River, having established his right to second the motion by himself having placed a resolution on the order paper in this behalf, succeeds to the position of seconding the motion. We are told on high authority, Mr. Speaker, that history repeats itself. May it not be that when the house convenes for the session of 1960, perhaps in January of next year, that on the first occasion when the government moves to resolve the house into committee of supply we shall be faced with an amendment introduced by hon. members opposite which will read, I fancy, in the following terms—

Mr. Pearson: You will not have had a conference.

Mr. Fleming (Eglinton): —"that all the words after that"— it will not matter whether we will have had a conference or not. Hon. gentlemen opposite, not having anything more accurate to say than the hon. member for Essex East had to say today, not having anything more to talk about than the empty calls and the demands that he issued today, I expect that we will be faced with just such a motion. It would not matter if we had two dominion-provincial conferences this year. They will be back hawking this amendment around which will probably be in about its fourth year by then.

Mr. Pickersgill: A pretty poor outlook for the provinces.

Mr. Fleming (Eglinton): May I also say that by that time and in the same progression the amendment will probably be introduced by the hon. member for Kenora-Rainy River and it will be seconded by such other member of the Liberal party opposite as has the enthusiasm, the zeal, the foresight to introduce and place on the order paper a private member's resolution to the same effect calling

for a conference to deal with serious matters of common concern such as unemployment and fiscal relations.

Mr. Benidickson: It sounds as if they will still be unattended to.

Mr. Fleming (Eglinton): It would not matter if there had been two dominion-provincial conferences. My hon. friends opposite, not having anything factual to lay before the house, not having any grievance to bring before the house that has any basis to it, will go on mouthing as they have been doing today the same empty, baseless charges without facts to support them.

Just by way of introduction to the next subject I should like to take up after the dinner adjournment, may I say that when it comes to advocating the calling of dominion-provincial conferences or appearing before the Canadian parliament or the Canadian people as champions of the rights of the provinces, the last people in the house who have any right to cast themselves in that role are the hon. gentlemen who today constitute Her Majesty's loyal opposition. On that note, Mr. Speaker, I will call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Fleming (Eglinton): At six o'clock, Mr. Speaker, I had just indicated that I proposed to proceed in these remarks to discuss the question of whether hon. gentlemen opposite, Her Majesty's loyal opposition, have any right to pose as the champions of provincial rights or to picture themselves before this house and before the Canadian people as amongst those who have supported the calling of dominion-provincial conferences in the past. Listening to the hon. member for Essex East (Mr. Martin) this afternoon, one would almost have thought he was putting before the house the proposition that the Liberal party, in recent times, favoured the calling of dominion-provincial conferences. One almost got the impression that that was what he was arguing for.

Perhaps those who are not acquainted with the record of the hon. gentleman and his party might almost have sensed that that is what he was driving at. If the calling of dominion-provincial conferences forms such an important part, holds such a signal place in the program and in the thinking of the Liberal party, one would surely have thought that one would find the calling of a dominion-provincial conference would have occupied a place of high importance in the official pronouncements of the Liberal party. We have been hearing this afternoon a good deal of ancient history and some fairly modern history from the hon. member for Essex East. I might say that his history is just about as accurate as his statistics have been.

But, Mr. Speaker, is it a fact that the Liberal party, whose representatives in this house chose to make the calling of a dominion-provincial conference and the discussion of dominion-provincial fiscal relations the subject of their first amendment to a supply motion in the 1958 session and the subject of their first amendment to a supply motion in the 1959 session, favour the calling of dominion-provincial conferences? The Liberal party had a national convention in January, 1958, just a year ago. I have a document before me which is entitled, "New statements of Liberal policy". It is "for a greater Canada", and contains the 1958 resolutions adopted by the fourth national Liberal convention held in Ottawa January 14, 15, 16, 1958. I have read this document with some degree of care. You can read it from cover to cover and you will not find in it anywhere a demand or a plea for a dominion-provincial conference. This document, of course, is much truer to the history of the Liberal party than were the pronouncements we heard in this house today. One does not look for consistency on the part of hon. gentlemen opposite; that would be asking too much of them.

As I mentioned earlier in my remarks, Mr. Speaker, the hon. member for Essex East chose to support his demand for the condemnation of the government in relation to the matter of dominion-provincial relations, not simply on the basis of fiscal relations or the question of unemployment but he went into almost every facet of dominion-provincial relations, and I propose to follow him in that respect. The hon. member talked about methods of amending the constitution, and I should like to say something on that subject and on dominion-provincial relations so far as they affect the larger question of the Canadian constitution. In this respect, I am simply following what was said by the hon. member for Essex East this afternoon.

It has been my privilege to be a member of this house now for 14 years. Those of us who came to this house in the general election of 1945 had not been in the house very long before we heard, and some took part in, one of the most important debates on the constitution of this country that had been held for many a year. It will not be forgotten what were the positions taken respectively by the Liberal party, then the

government, and the Conservative party, then in opposition, in relation to the calling of a dominion-provincial conference before hands were laid upon the constitution of Canada. So that hon. members may have their recollections refreshed and may not be misled by the statements made this afternoon by the hon. member for Essex East, may I recall to hon. members some of the things that appeared in the course of that notable debate.

It was in the course of that debate that the then minister of justice, who later became the prime minister of Canada, Mr. St. Laurent, spoke in support of a proposal that an amendment to the constitution should be sought from the Westminster parliament in relation to the provision of the British North America Act concerning the basis of representation in the House of Commons by provinces. He proposed that that should be done without any consultation with the provinces. It was the position that he took, and firmly held in that debate, that there was no obligation whatever on the federal government to consult the provinces by way of any dominion-provincial conference before seeking that amendment of our basic act of confederation in the Westminster parliament. The Conservative party in opposition took the position that there ought to be a dominion-provincial conference before that amendment to the constitution was sought.

In the course of the debate a question was put to the then minister of justice, Mr. St. Laurent, by the hon. member for Calgary West, the late Arthur Smith. The question he put to the then minister of justice, Mr. St. Laurent, was this, and I am reading from the unrevised *Hansard* of June 18, 1946, at page 2696:

> The hon. gentleman—

That is the hon. member for Calgary West.

> —asked, what about section 133, which provides: "Either the English or the French language may be used by any person in the debates of the houses of parliament of Canada and of the houses of the legislature of Quebec; and both those languages shall be used in the respective records and journals of those houses; and either of those languages may be used by any person or in any pleading or process in or issuing from any court of Canada established under this act, and in or from all or any of the courts of Quebec."

The question asked by the hon. member for Calgary West was, could that section be amended by the Canadian parliament without any consultation with the provinces simply by seeking an amendment from the Westminster parliament. That was the question asked by the hon. member for Calgary West and this is how Mr. St. Laurent answered it. He paraphrased the question this way:

> Can that be dealt with without the consent of the provincial legislatures? Legally I say it can.

Mr. Speaker, that was the position of the Liberal party on June 18, 1946, those who pretend today to be the champions of the rights of the provinces, those who have the unmitigated temerity to stand up in this house and pretend they are the people who down through the years have been in the lead in consulting the provinces.

The Conservative party's position in this respect was pressed to the point of an amendment in 1946. It is interesting now, looking back, to see what became of that amendment. The Liberal government resolution to seek this amendment to the British North America Act without any consultation with the provinces on a very important constitutional point was followed by an amendment which you will find in *Hansard*, page 2235, June 6, 1946. It was an amendment introduced on behalf of the then Conservative loyal opposition by the man who holds today the distinguished office of Prime Minister of Canada. This was the amendment which he put forward:

> That the motion be amended by deleting the words: "A humble address be presented to His Majesty the King in the following words:" and substituting therefor:—And whereas it is desirable that the government should consult with the several provinces in respect of the said matter.
>
> Now therefore be it resolved that the government be required to consult at once the several provinces and upon satisfactory conclusion of such consultations be authorized to present an humble address to His Majesty in the following terms.

Mr. Speaker, there we find the difference between the two parties in 1946. It was the Conservative party, as you may judge by the amendment introduced by the man who is today the Prime Minister of Canada, which called for consultation with the provinces before hands were laid upon the constitution of this country.

Mr. Martin (Essex East): And we had those consultations.

Mr. Fleming (Eglinton): We have the Liberal party of that day, through its official spokesmen, rejecting the idea that they should consult with the provinces before seeking an amendment to the constitution. In doing so, Mr. Speaker, the Liberal party not only set the tone and tenor of its attitude towards the provinces in these post-war years but they proved themselves false to the standards of the Liberal party in previous days. They proved themselves faithless to the position that had been taken by Sir Wilfrid Laurier and by Mr. Lapointe. Mr. Speaker, if you will forgive a reference, I should like to remind you of some passages from the utterances of these great Liberals of other days that were forgotten then and have largely

been forgotten since then by those who profess to be the heirs of these Liberal great men of days gone by. This is what Laurier said in this house on January 28, 1907.

Mr. Pickersgill: Would the minister give the page reference?

Mr. Fleming (Eglinton): Page 2269, volume II. He said this:

(Translation):

Confederation is a compact, made originally by four provinces, but adhered to by all the nine provinces who have entered it, and I submit to the judgment of this house and to the best consideration of its members, that this compact should not be lightly altered. It should be altered only for adequate cause, and after the provinces themselves have had an opportunity to pass judgment on the same.

(Text):

Then, Mr. Speaker, there came the words of the eloquent Ernest Lapointe, first of all in 1924, as found at page 520 of *Hansard:*

(Translation):

Now this treaty cannot be changed, it has been the contention of many constitutional authorities, and I think it is only fair that no change should be accepted without the consent of all those who were parties to it. It is a sacred treaty just as is any other treaty; it is no "scrap of paper."

(Text):

Then in the following year again this chamber heard from the eloquent tongue of the late Ernest Lapointe. In 1925, as reported at page 301 of *Hansard* of that year, he said:

(Translation):

I think I cite history correctly when I say that every time there has been a dispute in Canada as regards provincial rights, those who were on the side of provincial rights were victorious in the end. I do not think there can be any attempt to change the mutual charter of both the Dominion and the provinces by the arbitrary action of this parliament. I do not think it is possible to do it. To those who want changes, and I am willing to admit that there might be the necessity for changes, I would say that the only way to get them is the constitutional way, to ask the consent of the various parties to confederation.

(Text):

That was the position of the Liberal party in those past days, the days of Laurier and of Lapointe. But, Mr. Speaker, that position of the Liberal party was departed from in the most blatant fashion in 1946. But the sorry tale of Liberal departure from its soundest positions does not end there. One does not need to debate here today the compact theory of confederation or to take a position on that subject in order to be able to point out the glaring inconsistencies in the position of the Liberal party taken from time to time and to expose in this house today the fact that it would be impossible to conceive of anything much more hypocritical than that any member of this house should pretend that the Liberal party is the party that has stood for consultation with the provinces or for dominion-provincial conferences.

Let us move on, Mr. Speaker, to the year 1949. The Liberal party in modern times is running true now to the position in 1946. In 1949, flushed with the success of 1946 when they defeated the Conservative opposition in this debate to which I have referred, they decided to go a step further and without the slightest consultation with the provinces introduced an amendment to section 91 of the British North America Act for the purpose of taking unto the parliament of Canada power to amend the constitution in what was regarded as a federal matter without any consultation with the provinces. The position of the Conservative party then in opposition was consistent with the position they had taken in 1946. Mr. Drew, the then leader of the opposition, introduced the following amendment, seconded by the then hon. member for Lake Centre who is today the Prime Minister of Canada, on October 17, 1949. As found at page 841 of *Hansard*, these are the terms of the amendment introduced by the then leader of the opposition:

That the said proposed resolution be amended by striking out all the words after the first word "that" and substituting therefor the following:

"That His Excellency the Governor General in Council be requested to convoke as soon as may be possible a constitutional convention of representatives of the dominion and provincial governments to devise a method of amending within Canada the constitution of Canada, and of safeguarding minority rights; so that such method may become the subject later of an humble address, when adopted, to His Majesty the King praying an amendment of the British North America Act, 1867 accordingly".

It was as simple as that. The Conservative party said that there should be consultation with the provinces, that there should be a dominion-provincial conference. The attitude of the Liberal party then, in opposition, was that there should be no conference; that they would have nothing to do with any conference; that they would go right ahead and seek an amendment to the constitution in this important particular without provincial consultation.

Mr. Pearson: Will the minister permit a question at this moment?

Mr. Fleming (Eglinton): Yes.

Mr. Pearson: Is it the minister's argument that the federal government is not in a position to recommend amendments to the constitution with regard to federal matters exclusively except with the agreement of every province? Is that the argument he is making?

Mr. Fleming (Eglinton): Mr. Speaker, the hon. member is making a poor show of following what I am saying.

Mr. Pickersgill: He is just asking a simple question.

Mr. Fleming (Eglinton): He does not do himself any credit with an interjection like that. If he will follow what I am saying he will see clearly that I am picturing before this house as a snare and a delusion and as hypocrisy the position which the Liberal party is pretending to take in this house today.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Mr. Speaker, I am rising on a point of order. These interesting perversions of history are no doubt as usual amusing. My point of order is that there is before the house a motion which was introduced by my friend the hon. member from Essex East and which relates to the present and the future. I would be interested to see how the Minister of Finance relates these irrelevancies to that motion.

Mr. Fleming (Eglinton): Mr. Speaker, I think the hon. member for Bonavista-Twillingate (Mr. Pickersgill) was not in the house this afternoon to hear the speech which was made by his colleague.

Mr. Pickersgill: I was in the house from beginning to end.

Mr. Fleming (Eglinton): I was giving him credit for intelligence and ability to follow the twisting and tortuous remarks of his colleague from Essex East, but he has just demonstrated to me that although he was in the house he did not follow what his colleague was saying. Obviously the thread of discussion was too tortuous for him this afternoon.

I need not remind you that it was the hon. member for Essex East who opened up the subject wide this afternoon and who went back to discuss methods of amending the constitution of Canada, and the positions of the respective parties in regard to that question. That is why I am dealing with this question, to set the record right. It is for his instruction and also for that of his colleague from Bonavista-Twillingate, who sits here listening to his colleague from Essex East, but evidently does not follow him. I was referring to the amendment which had been introduced on October 17, 1949—

Mr. Pickersgill: Mr. Speaker, my point of order was a serious one and I ask for a ruling.

The Acting Speaker (Mr. Rea): Order. Perhaps I should read the amendment again. It was moved by the hon. member for Essex East (Mr. Martin):

> That all the words after "that" be deleted and the following substituted therefor:
>
> "this house is of the opinion the government should call a federal-provincial conference at once to deal with serious problems of common concern such as unemployment and fiscal relations."

As long as hon. members who are speaking stay within the matter of a federal-provincial conference I am sure they are in order.

Mr. Fleming (Eglinton): Mr. Speaker, while my hon. friend from Bonavista-Twillingate is thinking up his next point of order may I go on to say that the amendment introduced by Mr. Drew, to which I have just made reference, was ruled out of order. But that was not the end of the matter. I refer the hon. member for Bonavista-Twillingate to the speech made by the present Prime Minister of Canada in the course of that debate. He will find that speech reported in *Hansard* of October 18, 1949, and I commend it to his most serious perusal and contemplation. I want to quote from the final paragraph of the speech of the hon. member who is today the Prime Minister of Canada, which is to be found in *Hansard* of October 20, on page 957. He concluded his speech with these words:

> So once more Mr. Speaker, I ask, why the haste? Why not postpone this measure until the next session of parliament? Call a conference. If it proves abortive, if we have the power to do what the Prime Minister contends must be done, I will join with him, no matter what others may do, and support him. I shall make my contribution, humble though it may be, to the rebuilding of a foundation that will bring about a constitution in keeping with our responsibility as a nation.

Mr. Speaker, he pleaded with the government to call a conference, but his remarks fell upon unhearing ears. It fell to my lot, just at the conclusion of the debate, as found in *Hansard* of October 27, 1949, page 1210, to introduce on behalf of the then Conservative opposition an amendment in the following words:

> That the said proposed resolution be amended by striking out all the words after the first word "that" and substituting therefor:
>
> "This house is of the opinion:
>
> 1. That an humble address should be presented to His Majesty the King praying that His Majesty may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom providing for an amendment to the British North America Act, 1867, relating to the amendment of the constitution of Canada by the parliament of Canada.
>
> 2. That as a condition precedent to the presentation of such address the scope and form of the amendment prayed for should be made the subject matter of a conference of the dominion and provincial governments and the subsequent approval of the parliament of Canada."

On October 27, 1949, the voting on that amendment followed at once, and interestingly enough among those whom I find voting against the amendment, voting against the calling of a conference of the dominion and

provinces to discuss this very important amendment of the constitution, is the name "Martin".

Mr. Martin (Essex East): May I ask my hon. friend a question? Since he has referred to my own voting record, may I ask my classmate, the Minister of Finance (Mr. Fleming), if he will honour me by voting for my amendment?

Mr. Fleming (Eglinton): Mr. Speaker, my hon. friend is inviting me to consent to being committed to the nearest institution for the mentally unfit. It is all right for him, Mr. Speaker, but there are some places where I will not join him.

Mr. Martin (Essex East): At least the humour of the house is good.

Mr. Fleming (Eglinton): Mr. Speaker, so much for the subject of conferences to amend the British North America Act which has been very agreeably introduced this afternoon by my hon. friend for Essex East.

Now, Mr. Speaker, let us go on to another aspect of federal-provincial relations which was touched on by him this afternoon. The hon. member talked about unemployment. He said that there had been no dominion-provincial conference which had discussed the subject of unemployment. I am sure that all hon. members of the house acquainted with the fact inferred at once, correctly, that there had been a dominion-provincial conference recently where the subject of unemployment had been discussed. This subject was referred to at the dominion-provincial conference of November, 1957, in relation to a proposal from the present federal government that the so-called "threshold" provision of the Unemployment Assistance Act should be removed. Those who were in the house in the years prior to 1957 will not have forgotten that the stoutest defender of that threshold provision, which had the effect of denying federal assistance in matters of unemployment in any province unless the proportion of unemployment exceeded 4.5 per cent of the population was the hon. member for Essex East. When we came into office we proposed to eliminate that limitation, and we put that proposal before the dominion-provincial conference in November of 1957. It is referred to in the speech made to the conference by my leader, the Prime Minister, and it was approved by the conference.

Mr. Pickersgill: Would the minister permit a question? Would the minister indicate where in the proceedings of the conference that proposal was approved by the conference, because I have examined it several times but have never been able to find anything to that effect?

[Mr. Fleming (Eglinton).]

Mr. Fleming (Eglinton): Mr. Speaker, it is regrettable that the hon. member cannot find it, but—

Mr. Pickersgill: Would the minister show me where it is?

Mr. Fleming (Eglinton): Would the hon. member give me the opportunity? The hon. member has overlooked the fact that after the public statements as published in the official report were made the conference went into private session. No doubt the provinces liked the idea of this proposal being put forward, because this was something for the benefit of the provinces. The hon. member simply cannot understand why any federal government should do something to assist the provinces. That measure was duly enacted into law, without very much help, I may say, from the hon. member for Bonavista-Twillingate or from the hon. member for Essex East or any of their colleagues in the house. The threshold provision was eliminated and now the federal government assists the provinces without there being any such limitation.

May I say at this point that provincial conferences are not simply those attended by the Prime Minister (Mr. Diefenbaker) and by the premiers of the provinces. There are also those conferences which are held at the ministerial level, and in July, 1958 there was a dominion-provincial conference on unemployment and on labour matters held here in Ottawa and was attended on behalf of the federal government by my colleague the Minister of Labour (Mr. Starr) who thus had an opportunity to meet his opposite numbers in the governments of the provincial legislatures. At that conference they discussed matters pertaining to unemployment, and I put this fact alongside the empty, baseless assertions made in this house this afternoon by the hon. member for Essex East who said there had been no dominion-provincial conference held in recent times to discuss unemployment.

Mr. Speaker, we have become so accustomed in this house to witnessing these lachrymose exhibitions by hon. members opposite—none better, of course, than the act put on by the hon. member for Essex East—on the subject of unemployment. The week before last he could not wait to begin the discussion of measures pertaining to unemployment. He wanted us to stop talking—or, rather, he wanted other people to stop talking; he had already made his speech—so that he could get on and talk about unemployment. The opportunity was given last week. We have been waiting now for two days to get on to an item relating to the winter works program in the supplementary

estimates, but hon. members opposite are talking about everything under the sun in order to prevent our reaching the discussion of this winter works program.

Mr. Robichaud: Nonsense.

Mr. Fleming (Eglinton): Last week we saw two days given over to interminable discussions, and one can only conclude that there is not bursting the bosoms of hon. gentlemen opposite an irresistible urge to discuss the question of unemployment and the government's measures to meet it.

I might tell the hon. member for Essex East, if he can bear another observation, that the exchanges between the dominion government and the governments of the provinces in relation to unemployment and the winter works program have not been confined to conferences. My colleague the Minister of Labour has been conducting exchanges of correspondence with the governments of the provinces with regard to the winter works program for the last three or four months, and this has been issuing in action, the kind of vigorous, constructive action which is associated with the present government.

The hon. gentleman from Essex East dragged in by the forelock the subject of municipal relations. He is forgetting, of course, that for the first time in history there was held in Ottawa at the end of September last year a conference, informal it is true, between the dominion government and representatives of the municipal governments of this country to discuss questions pertaining to the problems of municipalities in this country and the relationship of those problems to other spheres of dominion-provincial relations.

Some hon. Members: Held every year.

Mr. Fleming (Eglinton): There is one other point I should like to bring to the faltering memory of the hon. member for Essex East—

Mr. Martin (Essex East): Leave the poor member alone.

Mr. Fleming (Eglinton): If I did not love my old friend from Essex East I would really bear down on him, I would really expose him.

Mr. Pickersgill: Is this the new humanity?

Mr. Fleming (Eglinton): The hon. gentleman had forgotten when he made his jumbled speech in which he appeared to be advocating—if it was capable of any interpretation at all—that there should be a dominion-provincial conference to talk about amendments to the constitution, municipal relations, dominion-provincial fiscal relations, unemployment and I do not know how many other things—

Mr. Martin (Essex East): Human rights.

Mr. Fleming (Eglinton): Oh yes, human rights, fundamental freedoms and the bill of rights. These are some of the things he mentioned this afternoon. He wanted them all discussed at the one conference. I can only recall to his mind the program with regard to these matters of the government of which he was a member.

Mr. Pickersgill: A distinguished member.

Mr. Fleming (Eglinton): Well, of which he was perhaps the most distinguished member. What we used to hear from his less distinguished colleagues of those days, such as the prime minister and the minister of justice of those days, was the contention that when you call a dominion-provincial conference you should call it for one purpose; in other words, that you should not get the subjects mixed up. I can remember discussions with those colleagues of his on just this question, and they expressed their firm belief that if you hoped for any success from a dominion-provincial conference you must confine it strictly to one subject. However, the hon. member for Essex East has forgotten all about that in his approach to this question.

May I turn now to a different subject? I wish to go back to the year 1956 and correct the mythology in which the hon. gentleman indulged this afternoon as to the events of the past two and a half years. It was in 1956 that the then Liberal government, having met the provinces in a conference, brought to the house for enactment a measure which appears on our statute books as the Federal-Provincial Tax-Sharing Agreements Act, 1956. It was at that conference that was reflected for the last time in hard, unyielding form, the stiff-necked attitude of the former government in meeting the provinces in a conference. I suppose that if there should ever be a federal government in office such as the one that was in office in 1956, and if it were to take the same stiff-necked attitude that that unyielding government took toward the representatives of the provinces, the case for calling dominion-provincial conferences would be greatly weakened. Some might even say: what is the use of calling conferences if the federal government is going to take that kind of attitude? That may be a point, Mr. Speaker. But in that conference the federal government took such an attitude, and the result was that the provinces all went away dissatisfied. I do not deny that nine of them signed agreements with the federal government, eight of them going the full way

by renting all three of the joint fields of taxation to the federal government. One, the province of Ontario, rented only the field of personal income tax. But, Mr. Speaker, were those provinces satisfied? Were they content in entering into agreements with the federal government to accept the terms that were imposed upon them? No, they were not.

May I remind the house of some of the things several of the provincial premiers said. I select those who are Liberals. These are excerpts from their comments quoted in the debate in this house in July, 1956, when we Conservatives who were then in the opposition opposed this legislation because we said it was unfair to the provinces and that they would be deprived of what they were entitled to expect at the hands of the federal government. This is what Mr. Campbell, then premier of Manitoba, had to say at that time as reported at page 6290 of *Hansard* of July 23, 1956:

> However Manitoba was still disappointed that so little attention had been paid to the question of the actual financial requirements faced by the provincial governments in the next few years.

And again:

> It is our recommendation that before any new pattern in federal-provincial relations is adopted a thorough reassessment of the relative responsibilities and revenue sources of the various governments in Canada should be undertaken.

We then have Premier Matheson of Prince Edward Island saying this, as reported at page 6038:

> No recognition of a province's fiscal need problem or its tax-raising ability was taken into consideration in the re-allocation or distribution of the tax monies, but the same old factors were again used in the formula—the gross national product of Canada and the population of the provinces.

Here is what the provincial premier of Alberta had to say:

> The federal government has retained for itself the broader and higher-yielding tax fields and, plagued with its financial problems at national level, has failed to recognize the financial needs of its provinces and their municipalities.
>
> We hope that the shift toward centralization of governing authority which has resulted from a complex system of grants will be reversed so that more than ever the decisions can be made by representatives close to the people.

This, Mr. Speaker, was the tone of these statements that were referred to from time to time in the debate in July 1956 in this house. Those were our criticisms and the federal government enjoying lush times and enjoying a favourable financial position at that time declined to do anything more for the provinces.

In assessing later events let it be clearly understood that the federal government, of which the hon. member for Essex East, the Leader of the Opposition and the hon. member for Bonavista-Twillingate were then members, said emphatically that the provinces could have the 10 per cent of the yield from the personal income tax, 9 per cent of the yield from the corporation tax and 50 per cent of the yield from the succession duties but not another cent. That was the position when the 1956 legislation was written.

When we came into office in 1957 we moved to call a dominion-provincial conference to discuss this and other questions. We moved in that direction not because of any pressure from the opposition. It is crudely laughable to hear the hon. member for Essex East expounding that phantasy in this house today. His imagination soared to heights hitherto unreached even by the hon. member for Essex East. That conference was called in November of 1957 and the provinces realized that there was in that conference an entirely different atmosphere from anything they have known for many years.

Mr. Pickersgill: There certainly was.

Mr. Fleming (Eglinton): A number commented after the conference that they had never seen a conference like it because the provinces had been invited there to act as equals, to state their cases and were afforded the opportunity of discussing in the freest way whatever proposals they wished to put forward. At the conclusion of that conference there was a communique issued which correctly states the conclusions of the conference. I draw attention to one of the comments which was completely overlooked this afternoon by the hon. member for Essex East which was to this effect—

Mr. Pickersgill: Page?

Mr. Fleming (Eglinton): I am reading from page 104 of the proceedings of the dominion-provincial conference of November 1957:

> It was generally agreed that the over-all economic position of the Atlantic provinces is now such as to justify some special grants in aid to the governments of those provinces from the federal government.

Mr. Speaker, we moved diligently in the face of that decision taken by the dominion-provincial conference. Steps were taken to convene in Halifax representatives of the four Atlantic provincial governments. Federal officials went down there simply to assist in any way they could and a decision was reached there on the part of those four provinces through their representatives that if the federal government would move to bring about the payment of a special Atlantic adjustment grant they were prepared to divide it among themselves in an agreed ratio: 3, 3, 3 and 1—the 1 to go to Prince Edward Island. Having regard to relative populations that was a generous act on the

part of the governments of Nova Scotia and New Brunswick—particularly of Nova Scotia—when they were prepared to accord to Newfoundland an equal share of the Atlantic adjustment grant with them and to the province of Prince Edward Island they were prepared to accord one-third as much as any of the others even though on a population basis Prince Edward Island would not have been entitled to as large a share.

When parliament met as soon as we could after the decision was reached, we moved in January in this house for the implementation of this agreement and asked parliament to enact into law the provision of an Atlantic adjustment grant of $100 million to be paid to the Atlantic provinces at the rate of $25 million a year for the next four years. Today Prince Edward Island is receiving $2,500,000 and New Brunswick, Nova Scotia and Newfoundland are each receiving $7,500,000 per annum that they would not have received but for the change of government in 1957.

However, Mr. Speaker, we did not stop there. As the communique issued at the conference indicates we had hoped to see this conference resumed early in 1958. But, Mr. Speaker, those who today would have you in your innocence believe that they wanted the re-convening of the dominion-provincial conference did their level best in this house—and it was not very level, either; they did their very worst in this house—to put in our path every possible obstacle to the calling of such a conference or doing things outside this house that the government might have wished to do at the time.

You will remember, Mr. Speaker, that we were a minority government. We were being pressed and harried at every turn in those January days by hon. members opposite who were doing their best to encompass our downfall day by day. We did not know from one day to another whether we would be continued in office. Under those circumstances, followed by the dissolution of parliament on February 1, it was a physical impossibility to call a conference. Parliament was sitting that January, morning, afternoon and night and on Saturdays. Hon. gentlemen opposite now say, "Why did you not call a dominion-provincial conference"? The responsibility I lay at the door of hon. members opposite.

Mr. Pickersgill: That was 12 months ago. You have not done anything since.

Mr. Fleming (Eglinton): Yes, it was 12 months ago. The hon. member will recall that in the face of that situation we moved in this house before the end of January to take care of the situation during the next 12 months. What we did in that situation was to ask parliament to approve an increase in the provincial share of the yield from the personal income tax from the Liberal 10 per cent to the Conservative 13 per cent.

Mr. Pickersgill: Take it or leave it.

Mr. Fleming (Eglinton): Here I draw your attention to the necessity for correction in the statements made in this house this afternoon by the hon. member for Essex East, like the statements made by his colleagues at the last session. The action taken by this government was not a repetition of the tactics of the former Liberal administration in saying to the provinces, "There are the terms. Take them or leave them. If you want this much you must yield up your right to collect revenue from these common fields of taxation." No, Mr. Speaker, that was not what we did.

Mr. Pickersgill: Will the minister permit a question?

Mr. Fleming (Eglinton): That was not what we did.

Mr. Pickersgill: Will the minister permit a question?

Mr. Fleming (Eglinton): The fact is that the legislation was there and what we did was to say to the provinces, "We are prepared to increase without asking anything of you". Will you sit down?

Mr. Pickersgill: When the Speaker asks me to.

The Acting Speaker (Mr. Rea): Order.

Mr. Pickersgill: I was asking the minister if he would permit a question.

Mr. Fleming (Eglinton): I am reviewing some facts that the hon. gentleman does not like. I think I would prefer to complete this review of the facts and then I would be glad to have his question.

Mr. Pickersgill: All right.

Mr. Fleming (Eglinton): Mr. Speaker, I said that we did not ask anything of the provinces, yet in this talk, this empty, misleading talk that hon. gentlemen opposite indulge in now, you would think we had asked something of the provinces when they talk about a take it or leave it attitude. We simply offered to give the provinces another three per cent. We did not ask anything of them in return, not a thing. That is the difference between the tactics of hon. members opposite when they formed the government, the high-handed, rigid, stubborn, unyielding attitude that they took and our attitude in not asking anything of the provinces but simply asking parliament to increase from 10 per

cent to 13 per cent the provincial share of the yield from the personal income tax.

Mr. Pickersgill: Will the minister now permit my question?

Mr. Fleming (Eglinton): Certainly.

Mr. Pickersgill: Would the minister tell us what the Liberal government asked from the provinces under the tax-sharing arrangement of 1957? The provinces are perfectly free, as the minister well knows, under that legislation to impose—

Some hon. Members: Question.

Mr. Pickersgill: —as much more tax as they like.

Mr. Fleming (Eglinton): Mr. Speaker, apparently the hon. member did not know this afternoon what his colleague, the hon. member for Essex East was saying and tonight he does not know what a question is. It is not the first time. I would ask the hon. gentleman to try to bring his mind under control and cast it back to 1956. I would ask him not to be jumping up and down and letting his mind jump but just to think calmly now, to concentrate and direct his mind to 1956. He will recall that what the government of which he was a member said to the provinces was, "If you want these revenues then you must yield up the right to us to collect these taxes."

Mr. Pickersgill: Not at all. That is not true.

Mr. Fleming (Eglinton): "If you do not give them up, all right, we are not prepared to go further", and when the provinces in the course of the discussions—

Mr. Pickersgill: That is not true.

Mr. Fleming (Eglinton): —tried to persuade the federal government to look at the problems of the provinces and of their municipalities and be a little more generous they said "no" and the hon. member opposite was one of those who said "no" to the provinces. The provinces today can thank the present government for the additions they have received since we came into office and can recall that they would not have had one cent of these additional revenues if the hon. member for Bonavista-Twillingate and his colleagues had remained in office.

Mr. Pickersgill: I do not wish to appear persistent but I should like the minister to answer my question. My question was this.

Some hon. Members: Order.

Mr. Pickersgill: What is there in this statute—

Some hon. Members: Order.

[Mr. Fleming (Eglinton).]

The Acting Speaker (Mr. Rea): Order. Do I understand that the hon. member for Bonavista-Twillingate wishes to ask a question?

Mr. Pickersgill: Yes.

The Acting Speaker (Mr. Rea): Does the Minister of Finance wish to have one asked?

Mr. Fleming (Eglinton): I did answer the hon. gentleman's question and I answered the assertion that followed his question which, of course, was not an assertion of fact but of Liberal fancy.

Mr. Pickersgill: In view of the minister's opinion of my intelligence, may I ask another question? Will the minister answer another question?

Mr. Fleming (Eglinton): With pleasure.

Mr. Pickersgill: Would he point in the tax-sharing statute to any provision that prevents a provincial government from increasing any of these three taxes if it wishes to do so?

Mr. Fleming (Eglinton): Oh, no, that was not what I was dealing with at all.

Mr. Pickersgill: That is what you said.

Mr. Fleming (Eglinton): What I was saying was this—

Mr. Pickersgill: You said yours was different.

Mr. Fleming (Eglinton): —that the federal government said to the provinces that it was not prepared—I note that the hon. member for Essex East is disgusted with the question of his colleague from Bonavista-Twillingate and is leaving the chamber—

Mr. Habel: He is disgusted with you skating around.

Mr. Fleming (Eglinton): —and who wouldn't be? So, Mr. Speaker—

Mr. Pickersgill: We are not going to get an answer. That is obvious.

Mr. Fleming (Eglinton): —let us now examine what was said by hon. members opposite. They objected that this increase in the provision to the provinces was made without calling a dominion-provincial conference.

Mr. Pickersgill: As you promised.

Mr. Fleming (Eglinton): The fact is that at that time the provincial governments across the country were sending urgent messages to Ottawa asking us—

Mr. Pickersgill: To call a conference.

Mr. Fleming (Eglinton): —to take steps to increase their share of the revenues and to do so at once because of the fact they had to know in planning their budgets what we

were going to do. That was what led to the sending of the urgent reply in the form of a telegram and to the urgent action that was taken in the house in the last week of January, 1958 to increase the provincial share of the yield from the personal income tax. When my hon. friends enjoy the fact that the telegram under those circumstances in the amounts that it contained by way of estimate, and estimate only, did not take account of the stabilization payments, let me say to them that nobody in this country was misled by the error in the estimates in the telegram. Nobody was—

Mr. Pickersgill: Except the Minister of Finance.

Mr. Fleming (Eglinton): —because that was followed on Monday with the figures of estimates including the stabilization payments, and those figures were in the hands of the provincial governments long before any one of them moved a finger on this subject. So, Mr. Speaker, we may dismiss what the hon. member for Essex East had to say on that subject this afternoon as so much figment of his extended imagination.

Now, Mr. Speaker, we thus made provision for the needs of the provinces for the ensuing 12 months and today, as I indicated in opening my remarks this afternoon, we are taking action in two respects. We are asking parliament to extend for another 12 months this important provision made for the assistance of the provinces and we are proposing at the same time that the study of dominion-provincial fiscal or financial relations be carried forward.

I think it is well that hon. members should know something of the assistance which has accrued to the provinces as a result of the measures which we took a year ago and what, according to our present best calculations, are estimated to be the provisions that the provinces may expect to receive in this coming fiscal year in respect of the unconditional payments provided for under the Federal-Provincial Tax-Sharing Arrangements Act as amended.

Mr. Benidickson: Are you speaking about 1959-60? You referred to the forthcoming year.

Mr. Fleming (Eglinton): I will indicate the various years and the figures. I propose to give figures, estimates so far as the current ones are concerned or next year's, and I had better reinforce that by saying again that they are estimates—

Mr. Benidickson: You called them assurances a year ago.

Mr. Fleming (Eglinton): I called them estimates last year.

Mr. Benidickson: On January 25 you called them assurances.

Mr. Fleming (Eglinton): I made it quite clear that these were our estimates because my hon. friend knows they could not be more than estimates as applied to what remained of the current fiscal year and the ensuing fiscal year. I give these figures by way of illustration and in doing so I am leaving out any reference to the Atlantic adjustment grants. In the year 1957-58, on the basis of the Liberal 10-9-50 formula the payments made to the provinces amounted to $639,-909,000. Then, we move forward to the fiscal year, the present one, 1958-59. Again not including the Atlantic adjustment grants, the figure that would have resulted from the 10-9-50 Liberal formula would have been $613,483,000 in the present fiscal year. Under the present government's 13-9-50 formula the yield to the provinces is estimated at $661,-298,000. Therefore, Mr. Speaker, there was a difference of $47,815,000 between the two formulae.

Now let me add at once that in the actual payments to be made this year, had there been no change in the formula, $20,926,000 would have been due on account of stabilization payments. Nevertheless there was an actual increase of $47,815,000, even after allowing for the above stabilization payments. Therefore, Mr. Speaker, you will see what benefit accrued to the provinces, quite apart from the stabilization payments and quite apart from the Atlantic adjustment grants.

It is estimated, Mr. Speaker, that in the coming fiscal year commencing on April 1 next, on the basis of the 13-9-50 formula, the yield to the provinces will be $684,409,000 or an increase of $23,111,000 in the coming fiscal year over the yield in the present fiscal year. In order to give hon. members the full picture so that they can compare this with the estimates in the blue book, the estimates being themselves on the basis of the contemplated cash payments to the provinces, that is to say on the basis that Ontario collects its corporation tax and succession duty and Quebec collects from all these three fields of taxation, the actual payments to the provinces in 1958-59 are estimated to be $397,-962,000, and the estimate for the next fiscal year—again leaving out the Atlantic adjustment grants—is $411,098,000. In other words, there is an increase of $13,136,000 in the yield to the provinces on the basis of the 13-9-50 formula which we are asking parliament to continue for another 12 months. Added to that, there are the Atlantic adjustment

grants, with all the benefits which they give to those provinces down by the sea.

I ask the house to recall as well that the unconditional payments made pursuant to the Federal-Provincial Tax-Sharing Arrangements Act are not all the payments that the federal government makes for the assistance of the provinces. Here again, the present government has enlarged very substantially the assistance that goes to the provinces in the form of conditional payments. The conditional grants and cost sharing programs with the provinces cost the federal treasury, in the fiscal year 1957-58, a total of $156,980,000. This was the year divided between Liberal and Conservative governments. However, in 1958-59, the first full fiscal year of Conservative government, these payments advanced from the previous figure of $156,980,000 to $270,330,000 at the expense of the federal treasury.

The increase in federal assistance in the form of conditional grants and cost sharing programs in this fiscal year as compared to the last fiscal year was $113,350,000. This does not include any of the provisions we are asking parliament to make for the federal contribution to the winter works program in aid to the municipalities. This kind of assistance breaks down into measures of this kind. The principal fields in which increases are to be noted are in our welfare payments, and these are the approximate figures: old age assistance, $5,600,000; blind persons allowance, $670,000; disabled persons allowance, $4,485,000; unemployment assistance, $12,285,000.

On the health side—

Mr. Pearson: All Liberal measures.

Mr. Fleming (Eglinton): All Liberal measures—how hollow that sounds in the mouth of the Leader of the Opposition. What I am showing the house is how the Conservative government has virtually doubled the provisions made by the Liberal administration.

Mr. Crestohl: And how you have increased the deficit.

Mr. Pearson: Your own figures do not show that.

Mr. Fleming (Eglinton): I gather from a remark made by an hon. member opposite that he begrudges these welfare payments and health payments about which I am going to speak. I would be interested in knowing which of the hon. members opposite made that remark. I see the hon. member for Mackenzie River (Mr. Hardie) pointing to the hon. member for Hull (Mr. Caron).

[Mr. Fleming (Eglinton).]

Mr. Caron: On a point of order, Mr. Speaker. I did not make any interruptions. I was silent. I did not interfere with his speech.

Mr. Fleming (Eglinton): I did not say the hon. member for Hull interfered with the speech. I merely said that the hon. member for Mackenzie River pointed at the hon. member for Hull when I asked who had made the remark.

Mr. Hardie: As a matter of fact, the hon. member for Mackenzie River did not point to the hon. member for Hull. The Minister of Finance (Mr. Fleming) in his—

Some hon. Members: Point of order.

Mr. Hardie: —in his usual way—I tried to point out to the house some—

Mr. Murphy: Spell it out, if you cannot say it.

Mr. Fleming (Eglinton): Perhaps my hon. friend would write me a letter at his leisure. I think, perhaps, I had better proceed.

Mr. Hardie: Since the minister referred to me, and he has no reason—

Some hon. Members: Order, order.

Mr. Speaker: Order; the minister has the floor.

Mr. Hardie: I pointed to no one in the house. If I had pointed to anyone, it would have been to you.

Mr. Fleming (Eglinton): My hon. friend is pointing to me now, but I can assure him that with his right hand he pointed toward the hon. gentleman who sits next to him, the hon. member for Hull. If he did not mean that—

Mr. Pickersgill: Mr. Speaker, I am rising on a point of order.

Mr. Speaker: Order.

Mr. Pickersgill: My point of order is that surely it is not within the province of any member of this house, even though he be a minister, to question the word of another hon. member about his own conduct. The hon. member for Mackenzie River said he did not point to the hon. member for Hull and the minister is obliged to accept his word.

Mr. Fleming (Eglinton): Mr. Speaker, no one will accuse the hon. member for Bonavista-Twillingate of being a pointer, and no one will even accuse him of being a setter.

Mr. Speaker, I was referring to the increases made by the present government in this fiscal year 1957-58 in the conditional grants and cost sharing programs with the

provinces for the benefit of all provinces and their people. I have indicated the increase in welfare payments.

I now come to the increase in health payments. In hospital construction grants there is an increase of $12 million. Hospital insurance, of course, is up $60 million and we know how much larger the increase will be in the approaching fiscal year. We have increased our grants to the railway grade crossing fund by $8 million; our grants to roads to resources or for the development of natural resources, by $8 million and as to housing, even the direct grants for land assembly and low-cost housing under the National Housing Act by $5½ million. These are increases in the present fiscal year.

In the fiscal year 1959-60 which will shortly begin we must take account of further increases that will be made in federal contributions to these sharing programs with the municipalities. The increases that are estimated for the fiscal year 1959-60 reach to these figures: hospital construction grants, $6 million; health grants, $11 million; old age assistance, $2 million; disabled persons assistance, $2½ million; roads to resources, $10 million; trans-Canada highway, $5 million; housing projects and land assembly, $16 million; and, of course, Mr. Speaker, the contributions to the hospital insurance program will this year, it is estimated, be $160 million. It will thus be seen, Mr. Speaker, that while we as a federal government have proceeded, with the approval of parliament, to increase by substantial sums the provincial share of the yield from the joint fields of taxation in the unconditional payments, we have at the same time raised by huge amounts the federal contribution to these programs, the cost of which is shared largely with the provincial governments.

Mr. Leduc: What about the deficit?

Mr. Fleming (Eglinton): It is apparent that the hon. member who has just interrupted believes that that portion of the deficit which is attributable to our increased assistance in the form of welfare payments and health grants is not justified and that we should not have done as we did.

Mr. Martin (Essex East): He did not say that at all.

Mr. Fleming (Eglinton): That is the undeniable inference to be drawn from this interruption if it has any meaning at all.

Mr. Benidickson: That is a wholly improper inference.

Mr. Fleming (Eglinton): It was a wholly improper interruption by the hon. member for Gatineau (Mr. Leduc), if he did not mean what anybody would naturally infer from his remark.

Mr. Benidickson: I wonder whether the Minister of Finance, who naturally and obviously was reading from statistical tables in connection with his comparison between 1957-58 and 1958-59, in enlargement of his remarks on conditional grants and sharing programs, would not think that it would be advisable to present those tables as an appendix to *Hansard*.

Mr. Fleming (Eglinton): Mr. Speaker, I put the figures on record.

Mr. Martin (Essex East): How about the two tables?

Mr. Fleming (Eglinton): My hon. friend would not know what a table is unless he concocted it.

Mr. Pearson: That is the way the minister answers all questions.

Mr. Pickersgill: That is the usual courtesy.

Mr. Fleming (Eglinton): Mr. Speaker, I have put the figures on record in their entirety. These figures I have given as increases in these conditional payments. I have given these to the house now in full.

I now come to the final subject upon which I should touch. I am still short, Mr. Speaker, by three-quarters of an hour of equalling the long speech delivered this afternoon by the hon. member for Essex East.

Mr. Hardie: Let us hear you say something.

Mr. Fleming (Eglinton): If my hon. friend opposite will listen I think his wish may be gratified but I cannot promise that he will like it.

I have drawn to the attention of the house the reference to this subject in the speech from the throne. Hon. members opposite have expressed their resentment of the fact that this subject found its way into the speech from the throne as the first information to the nation of our proposals with reference to the dominion-provincial program for this ensuing year. Let us look at that contention for a moment, Mr. Speaker.

There were two things that were in the speech from the throne. One was the statement that parliament would be asked to continue the government's 13-9-50 formula of unconditional grants for another year. They evidently say that matter should not have been brought to parliament first, but that it should have been drawn first to the attention of the provinces. Then with regard to our proposal that there should be now inaugurated an active co-operative study on the part of

the proper body, on which the dominion and provincial governments are represented, of the whole field of dominion-provincial fiscal relations, they say that we ought to have brought that matter to the attention of the provinces before we brought it to parliament.

No one knows better than yourself, Mr. Speaker, that if we had not brought this matter to the attention of parliament first, hon. members opposite would have been loud in their denunciation of the government for, they would have said, ignoring and by-passing parliament. We took the proper constitutional course and there was no discourtesy to the provinces in the course that we took.

As soon as the speech from the throne was read by His Excellency the Governor General a letter was dispatched by the Prime Minister to each of the provincial premiers drawing their attention to the text of the proposal appearing in the speech from the throne and inviting their co-operation in the proposed study. I may say—and this will not please hon. gentlemen opposite but it is the fact—that it is a tribute to the broader view that the provinces took; broader than that of hon. members opposite—that eight of the provinces have already, through their premiers, responded to the Prime Minister's letter and have indicated that they are prepared to participate in the study. We wait yet to hear from the governments of Newfoundland and Alberta.

As the house is well aware, the proposal was that we should follow up the present situation with a study conducted by the federal-provincial continuing committee on fiscal and economic matters operating under a committee of ministers consisting of the provincial treasurers or ministers of finance of the provinces and the federal minister of finance. Earlier in my remarks, I drew attention to the breadth of the field of study which this body is asked to undertake, namely the whole field of financial relations between the dominion and the provinces. We are not proposing to place any limitations on the reasonable scope of that proposed study. Hon. members opposite, who ought to know better, now deride this extremely important proposal. It is not amiss, Mr. Speaker, to remind them that they participated in setting up this important body. The federal-provincial continuing committee on fiscal and economic matters grew out of a proposal made by the province of Ontario at the agenda conference of April, 1955, which preceded the federal-provincial conference of October, 1955.

Several other provinces indicated their belief that a continuing joint federal-provincial committee of officials would promote the exchange of factual information, secure a better understanding of mutual problems, and promote greater co-operation among the various governments in the fields of national development, income and employment maintenance. In his opening address to the October 1955 conference, Mr. St. Laurent placed the question of establishing such a committee before the conference, and the conference, in its concluding communique, stated:

> There was general agreement that the conference should authorize the establishment of a committee of federal and provincial officials to meet from time to time to exchange information and examine technical problems in the field of federal, provincial, fiscal and economic relations. Representatives on this committee would be designated by the Prime Minister or premier of each government and the chairman would be designated by the Prime Minister of Canada. The committee will not take collective action but each of the members will report to his own government on the subjects discussed.

The federal-provincial continuing committee on fiscal and economic matters, set up as a result of the above conference, is composed of federal and provincial officials designated by the heads of their respective governments. The officials are generally drawn from the deputy minister ranks of the departments of finance, economics or provincial treasuries. These officials may have associated with them additional officials in an advisory capacity. The federal deputy minister of finance serves as chairman of the committee, and the director of the federal-provincial relations division as secretary. The committee generally meets twice a year, the spring meeting being in Ottawa and the fall meeting being in a provincial capital. The meetings are held in camera, and fiscal and economic matters of interest to the various governments are examined. No decisions are reached, but the committee members report to their own government the tenor of the discussions.

It is to this committee of officials that the government wishes to direct a re-examination of the present tax-sharing arrangements. Associated with this technical committee will be the committee of ministers of finance and provincial treasurers who will be empowered to direct the process of re-examination and to make any necessary decisions.

Mr. Speaker, not only does this federal government believe that this is the proper way, under the circumstances, to proceed with what we believe will be a timely co-operative study of this whole question of dominion-provincial financial relations, but we believe that it will be the most fruitful way of proceeding. There are many problems in this field. You do not solve those problems simply by calling a two-day conference of prime ministers. The success of such a conference depends on the preparatory work, and this federal-provincial continuing committee was

conceived when first set up as the kind of technical committee which would review the difficult questions, and in that way pave the way to decisions to be taken at the ministerial level or the prime ministerial level of conference to be called later.

This is not the end of the story. This is not ruling out dominion-provincial conferences at which the Prime Minister of Canada and the premiers of the provinces will be meeting. Not at all. This is rather a sensible and constructive, indeed the most sensible and constructive way which could be proposed for the study of this whole field in the broadest and most comprehensive way in order that we may arrive, we hope, in the end at more effective and acceptable fiscal arrangements between the federal and provincial governments. Believe me, sir, we do not propose to take anything away from the provinces in these discussions. The provinces know that. They know they are dealing with a federal government which has done more to recognize the provincial problems and help the provinces to meet their problems than has any federal government in Canada's history.

As my final word, Mr. Speaker, may I say this. The hon. member for Essex East took it upon himself this afternoon to acuse the Prime Minister of this country of not carrying out undertakings that he had given. Mr. Speaker, I say to you that none knows better than the hon. member for Essex East that that was a hollow, false charge, and that when the hon. member, or any other hon. member opposite makes charges of that kind in this house against the Prime Minister of Canada he will find 207 loyal members and followers of the Prime Minister of this country rallying to his support.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): Mr. Speaker, may I ask the hon. Minister of Finance a question?

Mr. Fleming (Eglinton): With pleasure, Mr. Speaker.

Mr. Martin (Essex East): Can the hon. minister tell us when the dominion-provincial conference will be reconvened?

Mr. Fleming (Eglinton): Mr. Speaker, steps have already been taken to assemble this dominon-provincial conference of the provincial treasurers and the Minister of Finance. In the letters which have already gone out to the provincial treasurers they have been asked for their proposals in regard to the subjects of study. Indication has been given to them that we invite their suggestions in the broadest way as to the agenda for the studies, and we have indicated that we hope, as soon as they may find it convenient—presumably shortly after the provincial legislatures have concluded their sessions—to convene the conference of the provincial treasurers and the Minister of Finance. In the meantime, in order that no time may be lost and every assistance may be afforded in proceeding with the studies and initiating agreement on the agenda of studies, the head of the dominion-provincial relations section of the Department of Finance will shortly be making a tour of the provincial capitals to discuss the subjects with the provincial authorities there. I may say that already today I have heard from the provincial treasurers of two of the provinces, those grand old provinces of Nova Scotia and New Brunswick, who have indicated their pleasure at the contents of the proposals in the letters I sent to them, and I have their assurance of their full co-operation and the fact that they will welcome the visit of the officer from the Department of Finance.

Mr. Pearson: Might I ask the hon. minister a final supplementary question: Are we to understand that the conference to which he has just referred is a conference which will be called to initiate studies?

Mr. Fleming (Eglinton): Mr. Speaker, it is hoped that the conference of the ministers will have before it when it meets the proposals of all eleven governments with respect to the agenda. It is also hoped that this conference will be able to resolve the agenda, indicate the studies that it wishes to be made, and perhaps arrive at agreement on some of the subjects. It may be that some of the subjects are capable of agreement at the meeting of ministers, but certainly it is hoped that that conference will achieve very important results in framing the scope of the terms of reference for the studies which are to be made at the technical level in the days following.

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to say a few words about federal-provincial relations with special reference to the tax-sharing agreements. In Canada we have a federation, and we cannot have a strong federation and good unity in our country unless we strive to provide equality of opportunity in all parts of our country no matter where the people may live. We cannot achieve this end in a short time because of the unevenness of our country's development. The areas of the greatest population are in the central provinces, Ontario and Quebec, and in those areas, along with British Columbia we have centres of manufacturing and finance with a consequent concentration of wealth. Most of the rest of the country is contributory to these more fortunate areas.

I do not think there is any difference of opinion among members of this house that the less fortunate areas should receive subsidies. In fact, I heard the hon. member for Essex East (Mr. Martin) say this afternoon that the fathers of confederation recognized this. I was looking up the records the other night and I noticed that on 16 occasions between confederation and 1937 the subsidies to some or all of the provinces were increased. After the great depression and during its aftermath the Rowell-Sirois commission was set up. The commission made its report in 1940. I read some parts of that report and I was struck by one very significant item, namely that the weaker provinces which were overwhelmed by the depression suffered hard times even when the other provinces were enjoying good times. This report suggested that a minimal national standard of services should be set up and that grants should be given to the less fortunate provinces when it was impossible for them to raise enough money to pay for these minimal services.

A dominion-provincial conference was called at that time and there was failure to agree. Then the war came on and we had the war taxes agreement. Then, in 1947, we had the first peacetime agreement. All the provinces came in with the exception of Ontario and Quebec. When these agreements were revised in 1951 the province of Ontario came in, renting its corporation and income tax fields. The last Liberal revision to this agreement was in 1956 and it came into effect in 1957. At that time, as hon. members know, the principle of equalization was introduced. Stabilization was also effected by the federal government guaranteeing 95 per cent of the amount of the payment for the previous year. The equalization was reached by a formula somewhat complicated in its end result.

This formula is used at the present time although there was an amendment introduced in the last session of parliament. The wealth of each province was measured in accordance with the per capita sum of the income tax, the corporation tax and the succession duties tax, which were called the standard taxes. The average or per capita yield of the wealthiest provinces, Ontario and British Columbia, are taken as the national standard and all the other provinces are paid sums equal to the difference between the per capita yield of the standard taxes in the province and the standards set by Ontario and British Columbia.

To give an example, I have here a paper which shows the standard taxes of the different provinces, and the national standard set by British Columbia and Ontario amounts to $38.16 in the fourth estimate of the payments for these provinces for this year. The preliminary estimates as contained in this paper show that the standard tax for Newfoundland is $10.65 and for Prince Edward Island $7.59. Under the equalization formula, each province must receive the difference between this amount and $38 for every person living in this province. Under these arrangements therefore Newfoundland will receive something in excess of $12 million and Prince Edward Island an amount in excess of $3 million in payments. The formula applies to every province across the country except that almost every year there are some minor readjustments.

The agreement reached at the 1956 conference gave to the provinces 10 per cent of the federal income tax collection, 9 per cent of the corporation tax and 50 per cent of the succession duties tax, and this was called the 10-9-50 formula. Up to those levels, individuals and corporations living in the province, and paying taxes in the province in those provinces that did not participate under that agreement, were allowed full deduction for federal taxes but beyond this amount no deductions would be allowed. It makes no great net difference to the federal treasury whether these taxes are collected federally or by the provincial governments themselves. Premier Frost of Ontario advocated a 15-15-50 formula under which the federal government would give up the collection of 15 per cent of the income tax plus 15 per cent of the corporation tax plus 50 per cent of the succession duties tax to the provincial government, and this came to be known as the 15-15-50 formula.

When this government came to power a federal provincial conference was held in November, 1957 and Premier Frost proposed again this 15-15-50 formula. He got the 10 per cent personal income tax increased to 13 per cent, but he is still demanding $100 million extra.

The formula proposed by Mr. Frost, without equalization, would of course weigh against the less wealthy provinces. It would cost the federal treasury about $130 million of which Ontario would receive about $118 million. No doubt the other provinces would take a dim view of this arrangement. This is the real crux of the situation as I see it.

The 15-15-50 formula based on the present equalization and standardization, taking the two wealthy provinces as the standard, would cost the federal government about $1 billion. The previous Liberal government could not afford this amount and most certainly we cannot afford it now because our deficit exceeds the total amount paid under the tax sharing agreement to the provinces. Mr. Frost claims that Ontario pays about half of the

standard taxes and that he collects a little more than one-third in return. If he were to get his $100 million under the present equalization formula it is not difficult to figure out that the people of the province of Ontario would have to pay approximately $140 million extra in taxes. Ontario is developing at a fast rate and our provincial government has many obligations to meet not only on its own account but in respect to municipalities as well. I have every sympathy for Mr. Frost's demand and I hope he gets more money.

I know that the premier of Ontario agreed to a special grant to the Atlantic provinces in the sum of $100 million to be paid in amounts of $25 million over a period of four years and that occurred at the time the extra 3 per cent personal income tax was allowed but the premier still insisted on getting his $100 million. One thing to remember is that the stabilization applies only to the formula introduced by the Liberal government and does not apply to the increase of 3 per cent in personal income tax.

I have in my hand an article which appeared in the Ottawa *Citizen* of February 5 and which states in part:

> Premier Frost says he plans to get a full $100 million a year in extra tax revenues from Ottawa—and then some.
>
> He told the Ontario legislature Wednesday he has retreated "not one quarter of an inch" from the position he took when the Liberals were in power at Ottawa.

I should like to ask the Minister of Finance (Mr. Fleming) if he thinks these words of Premier Frost are empty and misleading. In the last election campaign Premier Frost appeared on the same platform with the Prime Minister (Mr. Diefenbaker) on different occasions. I recall seeing one photograph of the Premier pointing his finger at the Prime Minister and it stated under the photograph that Mr. Frost was saying, "There is the man who will give me the $100 million."

I have here some extracts taken from *Hansard* of the Ontario provincial legislature in which Premier Frost clearly indicates that the $22 million he got by telegram from this government was purely an interim payment and that he was still pressing for the 15-15-50 formula namely $100 million. One very significant interjection in the debate by hon. Mr. Dunbar, M.L.A. for Ottawa was, "He will get it."

When the federal-provincial conference met in November of 1957 and the provinces put forth their demands I think it must have set the Minister of Finance to do some figuring. He must have been shocked when he heard what the provinces wanted and the conference adjourned after only two days. If you read the record of that conference and the various statements of the premiers attending I do not see how you could come to any conclusion other than that the conference would meet again in January or February last.

During the election campaign a rosy picture kept coming up in my mind as I am sure it did in the minds of others, that if the Progressive Conservatives were successful the provinces and municipalities would be called here and would divide the spoils and that this government would get along on the little that would be left. But what happened? The municipalities did not get in on the meeting at all. Afterwards some of the mayors were called here and were told some of the facts of life, and it was explained to them that the Liberals had left the cupboard bare.

I thought there might be some excuse for the government not calling the federal-provincial conference last January or February because at that time the Prime Minister was planning his zig-zag plane trip to Quebec city and of course nothing so insignificant as finances should interfere with that jaunt. But now another whole year has passed and the provinces have again received word that the federal payments are to be the same as last year. It is perfectly obvious that this government does not want to face the provinces at this time and it appears as though the provinces will continue to be told what they will receive by letter, telegram or by some other means of communication.

It is possible that we can carry this business of collecting money for the provinces too far. We must of necessity have to collect a good deal of money for the provinces in order to maintain a strong federation but the spending of money by anybody who is not responsible for collecting it is not conducive to good responsible government. On a smaller scale we have all seen frequent irritations between municipal councils and boards of education or school boards. The school boards set down their own financial requirements and the council must collect the money. While it would not be practical for the school boards to collect the funds they need it has often occurred to me that if the various boards of education had to collect their own money and be thus responsible to the people there would be less irritation in the municipalities and probably in some cases a greater scrutiny of expenditure.

When the Liberal government was in power I often attended dinners where a minister of the provincial government told the audience that the federal government took so much of the tax dollar that there was not

enough left for the provinces and the municipalities. I have often attended dinners addressed by Hon. Charles Daley, minister of labour of Ontario, but he never said that in my presence because he, I know, understood that much federal money was returned to the provinces directly or through social security and other payments.

I can recall attending a dinner at Niagara Falls that was also attended by the speaker of the Ontario legislature. While he was speaking he turned to me and said that the federal Liberal government was collecting 75 per cent of the tax dollar and that the province and the municipalities did not have enough left to meet their obligations. He did not refer at all to any of the money that was coming back to the province. I do not know if the 75 per cent figure is correct but I would suggest to that hon. gentleman that if the figure was right he will certainly soon have to jack up the 75 per cent because as soon as this government gets around to balancing its budget it will take a great deal more money than the Liberal government ever did. I say this after seeing the current estimates which were tabled the other day.

It is interesting to examine the record of the federal-provincial conference of 1957. The previous year the present Prime Minister laid down the position of the Progressive Conservative party, as found on page 6370 of *Hansard* for July 24, 1956, where, referring to the St. Laurent government, he said:

> The government simply said, "These are the terms" . . . The recipe for a division of taxation was as final as the laws of the Medes and Persians . . . There was no opportunity for negotiation; there was simply the attitude of a feudal lord bringing into being a modern feudalism and laying down the law to the vassals.

There was much more along the same line. He was speaking of the former Liberal government which had met the provinces at three full conferences. I think I am right when I say there were three. There were at least two and I think there were three full conferences. The federal government had made its final offer. All the provinces were at the conference table. They were told what the government could give, and this was done after full discussion.

In contrast, the present government met with the provinces for two days in November of 1957, submitted no proposal to the provinces but notified the provinces of its decision by telegram some time in January at the very moment when this matter was coming before the house for decision. There was no conference then. There was no opportunity for concurrence, no opportunity to express disapproval or to express any comment. It was simply a take it or leave it attitude.

The point is that the government has no decided policy in dealing with the provinces and the Toronto *Globe* of January 16 has a long article dealing with the row that looms because of the delay in settling the tax deal. It gives some reasons for this. One is that the old standardization formula of 10-9-50 does not apply to the extra three per cent additional allowance with regard to income tax. A second reason is that apart from the $25 million going to the Atlantic provinces the extra three per cent allowed the provinces will fall considerably short of the $62 million estimated at first by the government.

Following the federal-provincial conference of November, 1957 there were some heated exchanges by letter between the Minister of Finance and some of the premiers of the provinces, some of which reached the press. There was some difficulty of interpretation with Premier Douglas of Saskatchewan, for example, and also there was a threat to the premier of Prince Edward Island that the Minister of Finance would restrict his dealings with that province unless the premier withdrew some remarks he had made concerning one or two civil servants. There was a love feast, however, in Toronto, between the Prime Minister and Premier Frost and according to the *Globe and Mail*—I have a copy here—Premier Frost compared the Prime Minister to the late Franklin Delano Roosevelt. The Prime Minister took some exception to this comparison. He referred to the earlier Roosevelt, Theodore Roosevelt, and said that he was trying to give Canadians the same vision of development and the same pride in their country as the earlier Roosevelt. After much patting of one another on the back they parted but Mr. Frost is still taking his 22 cents on the dollar from the government, although some people tell me that it is now only 19 cents.

As I have said before, I hope that Mr. Frost can get more help but the fiscal policy of the government involving a huge deficit and a foolish conversion loan has made it more difficult and more expensive for every province and every municipality in the country to borrow money. Provinces must now pay at least 5½ per cent to get money and most of our municipalities must pay 6 per cent. In fact, I know some that cannot get money at that rate and I have heard of some that cannot borrow money at any interest rate at all. Whether or not that is true I cannot tell you but I know that some are paying over 6 per cent in Ontario.

Mr. Benidickson: Go back to Bennett for a precedent.

Mr. McMillan: This high cost money makes things difficult for business and for municipalities and compounds the troubles of the provinces. The Minister of Finance has got himself into a vicious circle. The more money he gives the provinces at this time the more debts he contracts and therefore the higher interest rate he has to pay. Then interest rates to the provinces and municipalities go up. They need more money and they come to Ottawa for more money. So you have a continuing vicious circle.

As I said last September, the Minister of Finance gave reasons why the conversion loan was good for the country. I will not look them up but from recollection he said, first, that there were too many maturities overhanging the market.

Mr. Fleming (Eglinton): Has this anything to do with dominion-provincial relations?

Mr. McMillan: It is true they were overhanging the market but we had many 30-day, 60-day and other short term maturities overhanging the market at the time. The minister said that the bond market would be stabilized and municipalities would be able to borrow money to better advantage. I will leave it to any hon. member of the house to answer that one. The minister produced a letter from the secretary of some labour union who said it was a good thing.

Mr. Speaker: Order. The hon. member should recall that the amendment relates to the necessity for a dominion-provincial conference and not to the conversion loan.

Mr. Benidickson: Mr. Speaker, that is very true but I want to remind the Minister of Finance who, as usual, objects to anything he does not like to hear—

An hon. Member: He did not object.

Mr. Benidickson: —that when he brought in this formula in January of 1958 he talked about money rates and the relationship to the provinces and patted himself on the back for reducing rates.

Mr. Hodgson: Let him read on.

Mr. Speaker: As it is nearly ten o'clock the hon. member might consider whether he should pursue that subject when he starts tomorrow.

Mr. McMillan: I want to show how these money rates affect the provinces and that when the provinces cannot borrow money there is cause for unemployment.

Mr. Benidickson: That is what the Minister of Finance did on January 27, 1958.

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

Questions

ANSWERS TO QUESTIONS

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

CAPITAL SENTENCES

Question No. 73—**Mr. Eudes:**

1. How many capital sentences have been considered by the governor in council, since June, 1957?

2. How many of these have been commuted to life imprisonment?

Answer by: **Hon. E. D. Fulton (Minister of Justice):**

1. 21.

2. 17.

SECTION 38, CUSTOMS ACT

Question No. 74—**Mr. Fisher:**

1. Under section 38 of the Customs Act, have any special cases been determined by the minister since this section went into force?

2. If so, what was the date of such decisions, the nature of the goods involved and the country of their origin?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

1. Yes.

2. December 2, 1958: Paint brushes—mainland China.

January 16, 1959: Cotton sheets, cotton pillow cases, and cotton fabrics commonly known as "twill" or "drill", "clothing sateen" and "denim" which are not prime quality goods in full pieces—all countries.

January 29, 1959: Cotton fabrics—mainland China.

ROADS TO RESOURCES PROGRAM—PROVINCIAL AGREEMENTS

Question No. 80—**Mr. Argue:**

1. What provinces have approached the federal government for aid under the roads to resources program?

2. What provinces have entered into agreements under this program?

3. What were the terms of the agreement for each province?

4. What amount is to be paid to each province, and what proportion is this of the total to be expended on this program in each province?

5. What provinces, if any, have been unable to take advantage of the assistance given under this program?

6. What reasons, if any, were given by each such province, for being unable to accept this assistance?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

2. British Columbia.

3. Arrangements are now being made to have the document tabled.

4. The program provides for a maximum expenditure of $15,000,000 in each province of which the federal government's share is 50 per cent or $7,500,000.

5. None.

6. Not applicable.

FRUIT AND VEGETABLE IMPORTS FROM UNITED STATES

Question No. 84—**Mr. McMillan:**

What was the value of the following commodities imported from the United States of America in the year 1958: (a) fresh peaches; (b) canned peaches; (c) fresh asparagus; (d) canned asparagus; (e) fresh strawberries; (f) canned strawberries; (g) fresh raspberries; (h) canned raspberries; (i) fresh tomatoes; (j) canned tomatoes; (k) fresh pears; (l) canned pears; (m) grapes; (n) grape juice?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

Statistics of imports from the United States as specified during the period January-October 1958 (latest available) are as follows:

Commodity	
(a) Fresh peaches	$1,500,106
(b) Canned peaches	1,998,078
(c) Fresh asparagus	583,545
(d) Canned asparagus	213,893
(e) Fresh strawberries	3,372,305
(f) Canned strawberries, no statistics available	
(g) Fresh raspberries, no statistics available	
(h) Canned raspberries, no statistics available	
(i) Fresh tomatoes	4,585,733
(j) Canned tomatoes	348,784
(k) Fresh pears	1,555,459
(l) Canned pears	413,158
(m) Grapes	8,322,359
(n) Grape juice	33,507*

* This figure relates only to imports in containers of 1 gallon or more. No statistics are available on imports in containers of less than 1 gallon.

IMPORTS FROM UNITED KINGDOM

Question No. 85—**Mr. McMillan:**

1. What were the total imports from the United Kingdom to Canada in the years 1957, 1958?

2. What was the total importation of United Kingdom motor cors in the years 1957-1958?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

Questions

1 and 2.

	Imports from the United Kingdom		
	Total Value	Motor Cars Number	Motor Cars Value
Calendar year 1957	$521,957,699	29,621	$32,474,486
January-October 1958 (latest regular statistics available)	437,238,942	40,517	46,292,985
(For comparative purposes, January-October 1957, 10 months)	436,423,672	23,926	26,465,799
January-November 1958 (preliminary estimate of total only)	487,000,000		

FARM LOAN BOARD BORROWINGS AND LOANS

Question No. 96—**Mr. Benidickson:**

1. What were the amounts, times and terms of borrowings by the Canadian farm loan board from the government since March 31, 1958?
2. How many loans and for what aggregate amount were paid out by the Canadian farm loan board, since March 31, 1958?
3. What was the rate of interest charged to borrowers from the Canadian farm board, during the current fiscal year?
4. How much have operating costs of the Canadian farm loan board been to date?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. $10,000,000 at 4 per cent in the period April 1, 1958 to September 30, 1958; $7,100,000 at 4½ per cent in the period October 1, 1958 to January 31, 1959.

Interest only payable on June 30, 1959.

Interest and principal repayable in 25 equal annual instalments commencing June 30, 1960.

In addition, certain bonds due December 1, 1958, held by the Minister of Finance were refinanced by a $5,000,000 loan at 4¼ per cent repayable in 15 equal annual instalments of principal and interest commencing December 1, 1959.

2. April 1, 1958 to January 31, 1959,—3,919 loans in the aggregate amount of $23,210,999.

3. 5 per cent.

4. April 1, 1958 to December 31, 1958—$706,536.87.

HOUSE OF COMMONS

Tuesday, February 10, 1959

The nouse met at 2.30 p.m.

STANDING COMMITTEES

CONCURRENCE IN REPORT OF SPECIAL COMMITTEE

Mr. John Pallett (Peel) moved:

That the report of the special committee appointed to prepare and report lists of members to compose the standing committees of the house under standing order No. 65 presented yesterday be approved.

Motion agreed to.

PARLIAMENTARY RESTAURANT

Mr. John Pallett (Peel) moved:

That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Bourque, Campbell (Lambton-Kent), Carter, Deschatelets, Dorion, Doucett, Godin, Gour, Hales, Horner (The Battlefords), Lafreniere, Legere, Letourneau, Martin (Timmins), McGregor, McQuillan, Muir (Lisgar), Pratt, Richard (Ottawa East), Stearns, Taylor, Villeneuve, Weichel, and Wratten a committee to assist His Honour the Speaker in the direction of the parliamentary restaurant so far as the interests of the House of Commons are concerned, and to act on behalf of this house as members of a joint committee of both houses on the restaurant.

Motion agreed to.

LIBRARY OF PARLIAMENT

Mr. John Pallett (Peel) moved:

That a message be sent to the Senate to acquaint Their Honours that this house has appointed Miss Aitken, Messrs. Argue, Bourbonnais, Bourque, Brunsden, Campeau, Dorion, Eudes, Fairfield, Fisher, Fleming (Okanagan-Revelstoke), Forbes, Frechette, Grenier, Hanbidge, Houck, Kindt, Knowles, LaRue, Lennard, Lessard, Macquarrie, Martineau, Matthews, McFarlane, McGee, McIlraith, Muir (Lisgar), Nixon, Pigeon, Pratt, Racine, Ratelle, Richard (Ottawa East), Simpson, Skoreyko, Small, Smith (Lincoln), Smith (Simcoe North), Smith (Winnipeg North), Southam, Stinson, Tremblay, and Tucker, a committee to assist His Honour the Speaker in the direction of the library of parliament so far as the interests of the House of Commons are concerned and to act on behalf of this house as members of a joint committee of both houses on the library.

Motion agreed to.

PRINTING OF PARLIAMENT

Mr. John Pallett (Peel) moved:

That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the following members, namely: Messrs. Allard, Asselin, Badanai, Barrington, Batten, Belzile, Bissonnette, Boivin, Bourdages, Bourque, Brunsden, Cadieu, Campeau, Clancy, Cooper, Creaghan, Deschambault, Dubois, Dupuis, Fane, Flynn, Gillet, Godin, Grafftey, Gundlock, Henderson, Howard, Jorgenson, Korchinski, Lahaye, Lessard, Letourneau, Loiselle, MacInnis, MacLellan, Martin (Timmins), Martini, McLennan, McWilliam, Michaud, Morissette, O'Leary, Phillips, Rapp, Ratelle, Richard (Kamouraska), Robinson, Rouleau, Skoreyko, Smallwood, Southam, Taylor, Thrasher, and Winkler will act as members on the part of this house on the said joint committee on the printing of parliament.

Motion agreed to.

ADMINISTRATION OF JUSTICE

NEWFOUNDLAND—REPORTED R.C.M.P. INTERVENTION IN LABOUR DISPUTE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Justice arising out of disturbing reports that the Royal Canadian Mounted Police had been used, in connection with a woodworkers' strike in Newfoundland, to march 125 striking loggers ten miles in subzero weather, after which they were held incommunicado for 36 hours. I should like the hon. minister's assurance that the R.C.M.P. are not being used for the purpose of what are commonly called strike-breaking activities.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the hon. gentleman gave me notice of his intention to ask this question. I do not have a full or complete report on this matter today, though I have a preliminary report. I will naturally follow the matter closely. The information I have so far makes it clear that in any action they have taken in this respect the police were carrying out their responsibilities for local law enforcement under the contract with the province, as agents of the attorney general. Therefore with respect to any action taken in this connection they would be acting under the direction of the attorney general of Newfoundland.

ATOMIC ENERGY

EURATOM—STATEMENT RESPECTING SUPPLY OF FUEL

On the orders of the day:

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, on February 5 the Leader of the Opposition

asked me a question with respect to an agreement between the United Kingdom and EURATOM. I took that question as notice. The report from London that Great Britain had signed an agreement with EURATOM was correct; the agreement was in fact signed in London on February 4 and came into force immediately. The agreement provides a framework for the working out of detailed arrangements for the co-operative exchange of information and the supply of material.

I must add that we should welcome this further evidence that EURATOM is becoming an active and important power in the use of atomic energy for peaceful and productive purposes. I reiterate what I said in the house on February 2, that we are endeavouring to negotiate a somewhat similar treaty with EURATOM for the promotion of those objectives to which I referred a moment ago.

Hon. L. B. Pearson (Leader of the Opposition): Might I ask the minister a supplementary question. Can he indicate to the house the effect which this agreement between the United Kingdom and EURATOM may have on subsequent negotiations between EURATOM and Canada for the sale of Canadian uranium to that organization?

Mr. Smith (Hastings-Frontenac): I hope the study of this agreement will be useful to us. I may say that we in the department have not as yet received the text of the agreement. We have a draft which was used during the negotiations between the United Kingdom and EURATOM. I understand that this document is being made public, and subject to the usual reservations I will table it in the house as soon as we get a copy of the final agreement.

TRANSPORT

KETTLE VALLEY RAILWAY—REPORTED INADEQUATE PASSENGER SERVICE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to that picture of health, the Minister of Transport. My question relates to the creeping paralysis of the passenger train service on the Kettle Valley railway.

In view of the continuous protests against the inconveniences suffered by residents of the southern interior of British Columbia from inadequate passenger train service and facilities on the Kettle Valley railway, and in view of the company's statement to the effect that the decline in these services is occasioned by abnormal local circumstances and unusual patrolling costs, would the minister consider meeting with representatives of the company and of the employees, if this can be arranged, with a view to discussing the solution of this problem by the provision of satisfactory daily train service facilities to which the people of this unusually productive area are entitled?

Hon. George H. Hees (Minister of Transport): I will be very glad to speak with the management of the Canadian Pacific Railway and bring what the hon. member has said to their attention, and report to him as soon as I have had word from them.

NEWFOUNDLAND—REPRESENTATIONS RESPECTING FERRY SERVICE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder whether I could ask the Minister of Transport if he has received representations from the Newfoundland board of trade about the desirability of having additional ferry service, in this case to the east coast of Newfoundland. If so, is the government giving active consideration to this request?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I do not think I have received any representations lately from the Newfoundland board of trade, although I know they would like to have an additional ferry. I have been spoken to recently in this regard by the hon. member for St. John's East (Mr. McGrath), and I have assured him, as I have assured the members of the Newfoundland board of trade, that these matters are always under consideration by the government.

BUSINESS OF THE HOUSE

BILL OF RIGHTS—INQUIRY AS TO APPOINTMENT OF COMMITTEE

On the orders of the day:

Mr. L. D. Crestohl (Cartier): I should like to address a question to the Prime Minister. Can the Prime Minister inform the house whether it is his intention to recommend the appointment of a committee either of the House of Commons or of both houses of parliament to hear and receive representations and suggestions with respect to the effectiveness of the bill on human rights and fundamental freedoms which he proposes to introduce this session?

Right Hon. J. G. Diefenbaker (Prime Minister): I thank the hon. gentleman for having given me notice of this question. He will recall that on September 5 last a draft bill of rights was introduced into the house and given first reading and some discussion, and then allowed to stand with a view to giving individuals and representatives of various organizations across the country

interested in fundamental freedoms, an opportunity of placing their views before the government. In so far as setting up another committee is concerned, while I am not speaking with finality at the moment I cannot see any good reason why a further committee should be set up. As the hon. gentleman knows, some time ago, in two successive years, as I recall it, a committee of both houses of parliament sat and dealt with matters affecting fundamental freedoms.

I can go no further at this time than to say, while not necessarily closing the door to the possibility, that I cannot now see any good reason why a further committee should be set up, especially in view of the fact that this matter was brought before the house last September and, in the intervening months, an opportunity has been provided for the representations which he apparently has in mind.

Hon. L. B. Pearson (Leader of the Opposition): May I ask a supplementary question. Can the Prime Minister inform the house whether any approach has been made by the government to the provincial governments in respect of the adequacy or otherwise of this particular bill?

Mr. Diefenbaker: The answer would be a simple no, Mr. Speaker, but I do not think that would cover the situation. The hon. gentleman will remember that some years ago, while one or other of those committees was sitting, the provinces were communicated with and the attorneys general of the several provinces asked for their opinions and reactions. At that time it seemed to be generally accepted by the government of that day that a bill of rights in the form of an amendment to the constitution which would cover not only those rights that are specifically allotted to parliament but as well those which fall within provincial jurisdiction was not acceptable to many of the provinces.

Mr. Hazen Argue (Assiniboia): I wonder if I might ask a further supplementary question. Before the Prime Minister closes the door on the possibility of a parliamentary committee to consider a bill of rights, would he comment on the fact that many prominent authorities in this country have suggested that the bill should be given further study in order that a more effective bill might be introduced?

Mr. Diefenbaker: I have not had the time to count the number, as apparently the hon. gentleman has, but I know there have been statements made along the lines suggested by the hon. gentleman. However, those who hold that view apparently have suddenly arrived at that conclusion. This matter has been before the house over a period of years, and I think the views of Canadians as a whole have been secured in the intervening years, and that no further advantage would be obtained by a further adjournment of consideration of this matter at the present session of parliament.

Mr. Pearson: Would the Prime Minister inform the house when a bill covering this matter was previously introduced into this house?

Mr. Diefenbaker: At no time previously was a bill introduced. I placed before this house on a number of occasions a draft bill, with certain suggestions, which were based upon the views of Senator Roebuck and a committee of the Senate. That draft in general was before the house for consideration on more than one occasion.

Hon. Paul Martin (Essex East): A supplementary question, Mr. Speaker. Does the Prime Minister not think that in view of the fact that well-known constitutional authorities have recently commented, not only on the subject matter of civil rights but on the particular bill introduced by the Prime Minister, they ought to be afforded the opportunity through a parliamentary committee to indicate what they regard as the inadequate features of this bill, and that parliament should be enabled to listen to their suggestions for improvements in connection with it?

Mr. Diefenbaker: The reason for the postponement at the last session was to attain the worthy objective the hon. gentleman now has in mind. I must say that the solicitude of the hon. gentleman, and of those associated with him, in the problem today does not altogether sound consonant with the objections they used to take when they were in office.

Mr. Crestohl: May I ask a supplementary question, Mr. Speaker. Since the Prime Minister introduced the bill at the last session and invited representations to be made, can he inform the house whether he has received any suggestions, indications or representations as to the constitutionality of the bill, and in any event has he obtained an opinion from the Department of Justice as to its constitutionality?

Mr. Diefenbaker: Mr. Speaker, anyone who suggests that the question of constitutionality arises apparently has not studied the bill, because it specifically states that it is related to those matters within the constitutional power of the federal parliament.

Mr. Pearson: Mr. Speaker, does the Prime Minister not realize that one reason for our solicitude in regard to this bill is that it

differs so widely from ideas previously put forward by the hon. gentleman when he was in opposition?

Mr. Diefenbaker: Mr. Speaker, the objective and the purposes are the same; the nomenclature may not be the same. May I say to my hon. friend that his solicitude on this subject does not jibe well with the fact that the international declaration on freedoms was not brought before parliament by the government to which he belonged.

Mr. Pearson: Mr. Speaker, on a point of order, the Prime Minister has made the statement that the United Nations declaration of human rights was not brought forward in this parliament. I think if the Prime Minister reflects he will find that he is wrong in that statement.

Mr. Diefenbaker: No.

GRAIN

WHEAT—PROTEST BY ATLANTIC PROVINCES ON PRICING POLICY

On the orders of the day:

Mr. E. L. Morris (Halifax): Mr. Speaker, I desire to ask a question of the Minister of Trade and Commerce. Has the minister now received the original of a letter from the maritimes transportation commission on behalf of the governments of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland, conveying the dissatisfaction of the Atlantic provinces with some aspects of the Canadian wheat board's recent change in pricing policy?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I would like to thank the hon. member for giving me notice of his intention to ask this question. I have received the letter he mentioned. The contents of that letter are being given very careful consideration and study. The increase in the price of wheat at the lakehead was designed to reflect the reduced transportation costs which will prevail when the seaway is opened in the spring, and the saving that is expected to be reflected in freight costs will result in increased income to the farmers of western Canada.

The representations made by the maritime commission will receive very careful consideration.

(Translation):

POST OFFICE DEPARTMENT

ATTENDANCE OF MINISTER AT MEETING OF EMPLOYEES

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I wish to address a question to the Postmaster General. Was he invited to attend a meeting called last Sunday in Montreal by the letter carriers and other employees of this department? Did he attend that meeting and, in any case, does he have any comment to make on this meeting which was reported in yesterday's newspapers?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I did receive an invitation two or three days before the date set for this meeting; unfortunately, I had already accepted another invitation for that very Sunday, so that I was unable to go to this meeting.

(Text):

I would only add that the matters which were discussed there, according to my understanding, were completely within the purview of the civil service commission in the first instance, and it would therefore be unnecessary and almost improper for me to comment on them.

AIRPORTS

DORVAL—TYPE OF BRICK USED IN MAINTENANCE BUILDING

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of Transport. Can the minister confirm or deny that brick of United States manufacture has been ordered for the maintenance building at Dorval airport? If so, can the minister inform the house whether such a choice, rather than the choice of Canadian brick, was made because of price or specification?

Mr. Speaker: Order. Before the minister answers may I say that the question is of the type which would be more properly put on the order paper.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I thank the hon. member for giving me notice of his intention to ask this question. As yet we have not completed our plans for such a building. Perhaps the hon. member had in mind our northern shipping building. If so, the brick used in it is Canadian brick manufactured in Montreal. On the other hand the reference might be to construction work for Trans-Canada Air Lines at another part of Dorval airport. If that is the building the hon. member has in mind and he will so indicate, I will be glad to make inquiries of T.C.A.

NATIONAL DEFENCE

D.E.W. LINE—INQUIRY AS TO CLEARANCE FOR VISITORS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources arising out of the reply I received yesterday to a question of mine, in which it was stated that some time ago an official of his department had to wait for eight months in order to get clearance to visit the D.E.W. line installations. Is the arrangement with the United States government today such that these requests are dealt with quickly, and there is no longer any undue delay as there was in this instance?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): In the first instance the answer to the question referred to was from another department, not mine. I think if the hon. member will go back and refer to the words of the Prime Minister when this matter was discussed in the house last August he will get all the answers he needs to the second part of the question.

Mr. Argue: Can the minister say whether there have been any further unwarranted delays since that time?

Mr. Hamilton (Qu'Appelle): Not to my knowledge, Mr. Speaker.

Hon. L. B. Pearson (Leader of the Opposition): In view of the statement of the Prime Minister in the house a few days ago that Canada has now taken over responsibility for the administration of the D.E.W. line, is there any necessity now for a Canadian to secure clearance from any United States authority in order to visit that line? Perhaps the Secretary of State for External Affairs might answer that question.

Hon. Sidney E. Smith (Secretary of State for External Affairs): I am unable to answer it, sir.

Mr. Harkness: Take it as notice.

Mr. Pearson: Perhaps the government will take the question as notice.

NATIONAL MUSEUM

REQUEST FOR STATEMENT ON POLICY IN FILLING POSITION OF DIRECTOR

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Northern Affairs and National Resources. Can he inform the house as to what policy the government is following in accepting applications for the position of director of our national museum? Specifically, can he tell the house whether the director when appointed will be a Canadian citizen?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, there is no intention for the present to open the position for applications either within the civil service or without. We have asked the director of the natural history branch to take charge of both sections of the museum until the situation becomes more peaceful.

Mr. Argue: Until you are out of hot water.

SUPPLY

The house resumed, from Monday, February 9, consideration of the motion of Mr. Fleming (Eglinton) for committee of supply, and the amendment thereto of Mr. Martin (Essex East).

REQUEST FOR RECONVENING OF DOMINION-PROVINCIAL CONFERENCE

Mr. Heath Macquarrie (Queens): Mr. Speaker, I am happy to have the opportunity to participate in this extremely important debate. I am happy especially because it was initiated by my friend the hon. member for Essex East (Mr. Martin) for whom I entertain the highest regard and with whom I spent some time pleasantly last summer at an international gathering. I have always admired him, but never did I admire him more than I did yesterday, when he put on a performance so different from that which he put on a few days earlier over television. Yesterday he seemed to be everywhere at once and on the previous occasion he did not seem to be anywhere at all when a question was asked.

This earlier performance was matched only by his ecumenical display of knowledge yesterday. He dipped into philosophy, into history, into logic, and one of his favourite fields of sport, statistics. But I think he was at his best when he was bristling with moral indignation. In his beginning as he lectured in federalism, I thought he was extremely interesting. Until he became more of a partisan and less of a constitutionalist I was applauding his every word in my dignified silent style. One who might have been led along in such similar general thoughts in the field of political science might have thought of the important part that political parties play, and he might think of, and theorize on the desperation with which some political parties seek to recapture office and regain the position which once they held.

Some of us who are devoted to the two-party system are at times a little unhappy at the way in which the present opposition reveal on occasion a lack of astuteness when it comes to an opportunity to grasp an issue. There is either a tendency to fire so many broadside shots that they all miss target, or to grasp the very subject upon which the government is strongest in the view of the Canadian people. On the question of dominion-provincial relations I feel they were in the second category.

In the part of Canada from which I come we are vitally concerned with the very questions to which the hon. gentleman has directed our attention, namely the question of dominion-provincial relations and their place in a federal state. The purist, of course, would say that Canada is indeed not precisely a federal state but perhaps a quasi-federal state, but our development has certainly been along that line. All down through the years we have talked about having a rigid constitution. Of course the British North America Act is not our whole constitution but merely a part of it. We have found flexibility and, if I may use the expression, constant change. In no area of the country has there been greater interest and greater concern and indeed greater need for a readjustment of the fiscal relations of the units of the nation than in my area. A great scholar who was also a great politician and statesman, namely the late Norman McLeod Rogers, at one time said:

> A federation defeats its primary purpose if through its constitutional arrangements or through policies instituted by the national government it accomplishes the gradual debilitation of one or more of the provincial communities of which it is composed.

Here surely is an opportunity for a representative of a maritime constituency to make a comment which may indeed be germane to the discussion before us and may have a direct bearing upon some of the actions of national governments in the past and the action of the national government in the present. I am sure that down through the years this house has heard speeches on maritime claims, for in our area we have suffered from economic inequality. We came into confederation in a period of great prosperity but our golden age, it seems, has long since passed behind us. Many things which our people were led to believe would come from the new and greater entity have not come at all or have been very slow in coming.

We in the maritimes have watched this great country expand to the west and now to the north. This new northward expansion has caught our imagination as it has caught the imagination of the rest of the citizens of Canada. But as our great country has moved and developed we feel too often that we, in the region where it all began, have been left behind.

Of all the vexed questions of dominion-provincial relations in which the maritimes are concerned, one in my opinion has never yet even approached a final settlement or a thorough-going examination. I refer to the question of the great lands to the north. We look forward to our expansion there, and we know that under the guiding genius of this government it will come. But let it not be forgotten that if the north is developed, it must be developed by a united Canada and that in that union the maritimes form a great part.

Only once or twice in our national story have we seemed to find a statesman who recognized the importance of this fact. One whom I refer to and who will go down in history as one of our greatest leaders, namely Sir Robert Borden, caught the significance of this. In 1912 an hon. member from New Brunswick said in this House of Commons:

> The three maritime provinces have but 52,000 square miles, and it is proposed at once, without consulting the other provinces, without seeing what New Brunswick or Nova Scotia or Prince Edward Island may think, to add something like 200,000 square miles to the territory of the province of Manitoba.

The then prime minister later replied:

> I would like to point out to my hon. friend that one of his own colleagues on that side of the house has raised an important question this afternoon, and has expressed views with which perhaps my hon. friend may not be inclined to concur, namely, that when this question of the transfer of the natural resources to the prairie provinces does come to be considered some regard will have to be given to the claims of some of the provinces in Canada and especially the three maritime provinces whose boundaries have not been increased, whose boundaries cannot very well be increased on account of their natural situation.

In the days ahead it is our fervent hope that considerations along that line will be taken into account.

Mr. Speaker, in examining the question of dominion-provincial relations I believe it would be fitting to look at the province of Prince Edward Island, my native province, as a sort of touchstone on this very question. Why would Prince Edward Island be the appropriate place to make a study of this problem? One reason, of course, is that confederation was born in my province. The city of Charlottetown is the birthplace of confederation, and we can therefore at least be expected to express paternal feeling on the whole process. It is also the smallest province of all, and it is the province in

which contributions from the dominion treasury proportionately play the largest part in the provincial budget.

Indeed, Prince Edward Island makes an ideal touchstone for the wisdom of any government in the national arena concerned with national development. The Rowell-Sirois report states that the province does not form a satisfactory unit from the point of view of public finance, and particularly for raising revenue. The subsistence nature of the economy, the low average net value of agricultural production, and the lack of urbanization are reflected in a total real property rate which is only one-fifth the Canadian per capita average. The province's lack of any public domain is responsible, of course, for the absence of revenue from that source. Under these circumstances Prince Edward Island, through the years, has found it necessary, as someone has said, to tax everything, tangible and intangible.

Another reason which I think might be cited is that of all the provinces of Canada, none has been so faithful to the Liberal party over the years. For 23 years we have had in the province a Liberal government. Indeed in 1935, from the very community in which I was born, there arose a Liberal leader to capture every seat in the provincial legislature, and for four years there was not a single opposition voice raised. In the federal field Prince Edward Island was looked upon as a haven for cabinet ministers. From time to time migrating ministers were given safe seats in Prince Edward Island. We had the minister of finance, Mr. Dunning, in Queens; and in that especially safe seat, Prince, the former prime minister, Mr. King, found refuge for a short time. We also had Mr. Ralston. Prince county, was a Liberal seat from 1904 to 1957, when my colleague cracked the sound barrier, so to speak, and in 1958 he did it again, increasing his majority one hundredfold. It is perhaps symptomatic—

Mr. Pickersgill: I am rising on a point of order, Mr. Speaker.

Some hon. Members: Sit down.

Mr. Speaker: Order. The hon. member has the floor to speak to a point of order.

Mr. Pickersgill: I do not like to interrupt an academic colleague, but it is a little difficult for me to relate this very interesting history to the motion which is before the house, and I wondered if the hon. gentleman could do so.

Mr. Macquarrie: Mr. Speaker, I have heard what the hon. member has just said. It is my conception of this motion that relations between the dominion government and the provincial governments are of great significance in a discussion such as this. Surely we must discuss the relative needs of provinces and their relationship to the national revenue, which I opine would be germane to the discussion. I am only sorry that I was not able to include the hon. gentleman in my list of ministers. Newfoundland, the second last remaining Liberal province in this dominion, was able to do that. What their views are on expatriate cabinet ministers I am not able to determine. Prince Edward Island—

Mr. Speaker: As the hon. member for Bonavista-Twillingate raised a point of order, and the hon. member who has the floor has spoken to it, I think it might be well to remind the hon. member who has the floor that the motion is in these terms:

> This house is of the opinion the government should call a federal-provincial conference—

That is the basic matter under discussion. The necessity for, or the desirability of, calling a federal-provincial conference opens the door for a discussion of federal-provincial relations in connection with that necessity.

Mr. Macquarrie: Mr. Speaker, it was my intention to look at the financial status of one province at the present time in relation to development in the past in order to argue that the amendment, so far as that province is concerned, is not a matter of immediate moment. I shall endeavour to relate more clearly and more directly the question at issue.

Throughout the years the need for greater financial assistance for my province has been pressed, not only at dominion-provincial conferences but on many occasions through contacts between the dominion and provincial governments. At the recent dominion-provincial conference the premier of Prince Edward Island recalled the previous condition which had developed from the unfortunate economic difficulties in which the province, through no fault of its own, found itself. Originally in 1873 we were given a subsidy of $45,000, which was nearly all eaten up by the interest on an extensive loan of $800,000 which was made necessary by certain financial operations of the province. In 1887 our subsidy was raised $20,000, in 1900 it was raised $30,000 and in 1912 it was raised by $100,000. At that time a Conservative government was in office in both Prince Edward Island and at Ottawa. It was at that time that the question of public domain in northern lands was discussed and very sympathetically entertained by Mr. Borden and Mr. White. In 1934 our subsidy was raised by another $275,000.

The situation in Prince Edward Island at the present time, and in the maritimes in the recent past, was very well recorded by many, many people who looked at the unequal

economic development of this country. I suppose an outstanding document on this is the famous Gordon commission report. We were so far behind in development that it was implied that perhaps in order to maintain a better standard of living some of our people had better leave and go to other parts of the country. Surely that was a strain upon dominion-provincial relations in the whole federal system of this country. Unfortunately some people did leave and that, of course, made the revenue situation in the poorer provinces even worse than it was before. In the many years during which the Liberal party was in office, the aggravating question of financial relations came up again and again. From my province there came constant appeals for greater aid and many, many of these were turned back. On one occasion instead of getting greater aid the Prince Edward Island government received a bill for $1,142,000 as a result of the 1952 agreement, when a miscalculation on the population projection had been made by dominion authorities.

In 1957 there came new hope for the maritime provinces, especially for the province of Prince Edward Island, where we had had several set-backs and reverses one after the other. With amazing alacrity there came a movement by the present government which expressed itself in the Atlantic provinces adjustment grant.

What does that mean? It means to the province of Prince Edward Island every year an additional amount of $2½ million, which might be interpreted as $100 per capita over the four-year period. This is a sum which represents nearly one-third of the provincial budget, and it represents the greatest single grant our province has received from Ottawa since confederation. This is the result of the meeting called by this government shortly after the election.

It is interesting to find hon. gentlemen opposite so concerned about the alacrity of fulfilling promises. One might think of some of the promises which were made on their platform in 1919; if they really want to go back, they might go back to 1883. An important part of the economic inequality as between the provinces is the lack of adequate social services which some of the provinces possess. In the small province of Prince Edward Island which I think, as I have indicated, might serve as the touchstone of present policy, we are now seeing some improvement as a result of the dominion-provincial negotiations carried out by this government. Teachers are being paid higher salaries, though they are still not high enough; roads are being built which the province could not afford to build before, and all across the board there is an improvement as a result of the justice which has been accorded to the small province of Prince Edward Island by this government.

In passing one might note also that the dominion government is picking up a greater portion of the total expenditures in the province than ever before; the largest item in history ($11,000,000) stands in the estimates we hope to pass. Referring to one of the statements made yesterday, is this an insult to the provinces? Is it contempt? Has Prince Edward Island been insulted by the way in which this government has handled dominion-provincial relations? I need hardly say that such is not the case. Referring to the situation the Charlottetown *Guardian* had this to say on January 28, 1958:

> Our chief grievance with the St. Laurent government was the manner in which our fiscal claims were ignored, forcing us to impose additional taxes and bringing strong condemnation from Liberal as well as Conservative members of the legislature. Hon. Mr. Harris had nothing to offer us commensurate with what the Diefenbaker government is now legislating to do. Yet the Liberals claim that the country was much better off financially under their administration than it is at present.

I suppose it would be appropriate to go to the head of the government, Premier Matheson who on his way to a certain event which took place in the middle of January, 1958, said that his party would seek a better deal for the maritimes than the Liberal party had ever given before. Then he gave a little explanation; on the result of the 1957 election "that is why the Liberals were defeated last June. They did not give the maritimes half a deal." The statements which have been made by those who say that the provinces of Canada have been insulted by the present government have aroused righteous indignation. The events to which I have referred have taken place in the province which perhaps more than any other deserved a second look and a little more consideration.

This is a new era. There are those who mock and smile about the expression "the new vision." But it is not a joke in the maritime provinces, because we came very near to a state of discouragement and intellectual depression which might have been very dangerous for us. It was because there appeared on the scene a man with a national vision—and you cannot have a national vision unless you are concerned with the problems of all the provinces—that the situation seemed at last to offer hope. That man, the present Prime Minister, came with a national vision and rapidly took measures to deal with our situation.

Yet there are some who say that the government has moved slowly. I can point to government activities in the province of

Prince Edward Island which are being carried out today which would have been impossible before the present dominion government took office. Let no man tell us, in our island province, that this government has been lax in the field we have been discussing. None of us is here to say that a full measure has been meted out; none of us will say to this government that they have heard the last of maritime claims. But a sense of realism and a sense of decency impel us to say that in this field the government has moved and moved with consideration for the provinces.

It is perhaps an inevitable part of the political process that a party in opposition should seek to find some device by which to make itself popular, but I think with regard to this question the opposition has not struck gold. Perhaps it is something like the balloon at the meeting in Ontario which was mentioned yesterday.

On this question of dominion-provincial relations now before us the answer can be found most readily in the maritime provinces, where it is underscored and underlined. One does not have to listen only to Conservative members of parliament; one will find it on the lips of the leaders of those areas, people of all parties who are more devoted to the areas in which they live than to political partisanship. I could if I wished quote from the most ardent Liberal newspapers in the maritime provinces and place upon the record words of commendation and congratulation to this government for action so long delayed and for justice so long denied by its predecessors, for a national policy which began with a recognition that the area from which I come has for too long been denied what was its just due.

Now at last a way has been devised which will give the people of my area an opportunity to go forward with the rest of Canada to the great days which lie ahead.

Mr. W. M. Benidickson (Kenora-Rainy River): I do not propose to reply directly, Mr. Speaker, to the very erudite historian from Queens who has just spoken. I have no doubt that in a very short time one of my colleagues from the maritime provinces will address himself to his most interesting and exceedingly well delivered address. I am chiefly concerned about some of the points we heard last night in connection with the magniloquence of the Minister of Finance (Mr. Fleming). Unfortunately, as so often happens with his spread-eagle type of oratory, we did not hear too much about the resolution that is before us, but we were treated to a rather silk-hatted Barnum-type of trumpeting about other matters of governmental administration. Then, of course, he gave the signal, as is typical, at the end of his long address by raising his voice as his arguments were weakening and got, as he expected, the applause of the large group of followers behind him. His theme seemed to be at this point that might is right.

I believe we should be reasonably sympathetic toward the Minister of Finance because on many occasions in the last 19 months—somebody said last night 16 months, but I remind the house that in a week it will be 20 months—since this administration took office the minister has certainly had his nose rubbed into a lot of hard facts. The point I want to make is that the country today, despite his form of oratory, is looking behind the rhetoric and is very concerned about the jettisoning of so many promises by this administration. Despite the arguments that we heard last night I remind the Minister of Finance that fog is not dispelled either by a fan or even by a windmill. I just want to remind him of a phrase I have heard him use at least ten times since he became a member of this house, that a tree is known by its fruit. I say the public is certainly equating the promises with performance.

The Prime Minister (Mr. Diefenbaker) is recognized as a great admirer of Lincoln. I am sure he has not overlooked one of Lincoln's wise sayings, to the effect that we must not promise what we ought not, lest we be called upon to perform what we cannot. I think that is the position in which the Prime Minister has so frequently found himself recently.

Now, I do not propose at this moment to deal with some of the new estimates about tax sharing revenues that were given by the Minister of Finance in his address last night. It is well known to the house that there is a resolution on the order paper that will permit us to discuss more carefully the financial results of a continuation of the formula of tax sharing to which reference has been made. The minister and I did last night have a word or two with respect to the question of whether or not this had from the beginning, when introduced a year ago, been called by the minister an estimate. I simply want to point out that on January 27, 1958—I was wrong by a day because it was the next sitting of the house, and I said January 25 last night—at page 3849 of *Hansard,* you will find this reported, and these are the words of the Minister of Finance. He was referring to the new formula that he announced so hurriedly, probably having in his mind that dissolution was very close at hand. He said:

It will assure for the fiscal year—

I emphasize the word "assure".

—commencing April 1 next an additional sum of $62,203,000—

It is true that in the very small print in the table that was placed upon *Hansard* the word "estimate" is used. Despite the denial last night of the minister that he ever used that word "assured" I draw the attention of the members to that page of *Hansard*, 3849, for January 27, 1958. The question before us is not some of the points that we heard from the minister last night, but why not have a dominion-provincial conference before we consider the resolution the minister has on the order paper.

The motion moved by the hon. member for Essex East (Mr. Martin), and which I seconded yesterday, appears on page 826 of *Hansard* for February 9, 1959. Since this is a subsequent sitting of the house I think it might be repeated. The motion reads:

This house is of the opinion the government should call a federal-provincial conference at once to deal with serious problems of common concern such as unemployment and fiscal relations.

It is to this that we should direct our attention. I well realize that there are just about 100 members in this house who were not in the house at the time the proposal of January 1958 was advanced. I think it is very desirable that we have on the record the assurances in solemn, definite form that were given that this was an interim matter, and that a dominion-provincial conference would be called at a subsequent date. I refer to the communique of November, 1957 itself which at that time made it exceedingly clear that it was intended to have in the new year another dominion-provincial conference.

This is the indictment against the government at the present time in connection with this motion. Again, they are not carrying out one of their promises which was very, very firmly planted with the Canadian people. The Minister of Finance himself repeatedly emphasized in January, 1958, that this was simply an interim matter. On the other hand, we have before us on the order paper a proposal to renew this formula for another year. The minister said it was an interim measure only for the forthcoming fiscal year. I emphasize those words, "forthcoming fiscal year."

In the debate that took place at that time—I am repeating this because there are so many new members in the house—the former member for Winnipeg North Centre, shrewd as he was, did indicate that there might be a nigger in this proposition. He is quoted on January 28, 1958 at page 3935 as saying that an interim period might last for a long time. I am afraid he was quite prophetic. At that time the Minister of Finance himself said that the immediate needs—I underline the word "immediate"—of the provinces had been met in the interim measure. He said that when the time was ripe and there was an opportunity—I emphasize the word "opportunity"—for a resumption of the dominion-provincial conference, of course one would be called. Hon. members of the government party who are friendly with the premier of Manitoba or with the premier of Ontario might indicate whether or not they think the immediate needs have been met in those provinces.

The hon. member for Essex East I think very shrewdly gave some ideas yesterday as to why this conference may be postponed. I would add that I am inclined to believe that in the case of the premier of Manitoba the conference may be delayed because that premier does not want to be shown up as less of a champion of his province than his predecessors when they came to dominion-provincial conferences. In the case of the premier of Ontario, I am inclined to think the difficulty may be that, unlike a year and a half ago, there may be no desire to have any display as to who today is the real sahib in connection with the Conservative party.

Last night the minister had something to say about "take it or leave it". In this respect I certainly think I can remind him of a publication which he himself quoted on several occasions in the past when we were debating matters of this kind. I refer to the interim report by the Canadian tax foundation in its comment upon the 1955-56 proposals. This refers particularly to this question of "take it or leave it". This is the comment of Mr. Perry in test 5 as to the desirability of a formula of this kind, and the "take it or leave it" question.

In this respect the author has achieved a delicate balance. There is almost nothing in it to sway a province toward one side or the other.

I ask the house, and the Minister of Finance particularly, what difference, except for one numeral, is there in the proposition he is sponsoring this session and last and the proposition of 1956 which received such bitter condemnation from him and his colleagues? There are two differences. There was the change with respect to one figure which increased a formula figure from 10 per cent to 13 per cent and, of course, there was another disadvantageous feature in so far as the provinces are concerned, in that the revised proposition omitted any reference to stabilization with respect to the new 3 per cent formula.

The Minister of Finance had some very bitter things to say about this formula in

1956. I want to give the house some indication of the kind of language he used then when he was screaming at the keyhole of events. On July 23, 1956 with respect to this formula, a formula which today he is prepared to put forward for the second time for the approval of the house, with the most minor changes and one of those in favour of the federal treasury he said, as reported at page 6287 of *Hansard* for July 23, 1956:

> As to the details of the formula, suffice it to say at this point that it is an actuarial maze to most people. The formula itself would undoubtedly confuse most citizens. Talk of tax equalization payments, provincial revenue stabilization payments, tax rental agreements, gross national product, average personal income, and other expressions in which the formula abounds make it very difficult for the average citizen to appreciate the niceties of the formula.

Well, the niceties of the formula seem to have appealed to the Minister of Finance, because we have a resolution again advancing the formula with only the minor changes I have outlined. But I suggest to the house that the big point is this. The government is by no means consistent. They took the stand in 1956 that in the absence of evidence of agreement on the part of the provinces, this parliament should not be asked to accept the formula. I want to know whether anybody in the government will say that this formula, any more than the other, has received unanimous or majority support from the provincial premiers.

This was the attitude taken by Mr. Drew, the leader of the opposition at that time. He said at page 5999 of *Hansard* for July 16, 1956:

> A government that fails to seek a solution of this problem and puts this matter into rigid statutory form before there has been approval is a government that is not fit to govern.

What evidence can the government give us that this is any more approved today? Yesterday the hon. member for Essex East very effectively gave the house comments from such premiers as the premier of Ontario and the premier of Manitoba. We have heard from the premier of Saskatchewan who sits perhaps in a neutral position in viewing the present government and the administration that went before. This is what the premier of Saskatchewan had to say in relating the present intention of this government to what took place in years gone by:

> Former prime minister Louis St. Laurent and the late W. L. Mackenzie King had at least discussed dominion-provincial finances.

That, of course, is not what is done at the present time. The Minister of Finance endeavoured to twit the hon. member for Essex East last night when he was speaking on this proposition. His words were that clothes scarcely suit the hon. member for Essex East. Well, let me tell the Minister of Finance that there is always a very considerable increase in the amount of second-hand clothing when we have a Tory administration. I further want to remind the house that there has never been a dominion-provincial conference which has not resulted from some changes in a proposition advanced by a federal administration. That opportunity is not being provided when we are asked simply to renew the present formula.

I think we have to analyse why we are not having a dominion-provincial conference, despite the very firm commitments made by the Prime Minister in two election campaigns, despite the wording of the communique after the dominion-provincial conference of November, 1957, despite what the Minister of Finance said a year ago that this was an interim proposition for the current fiscal year. I think the hon. member for Essex East again had some shrewd observations on that point. He referred to the deficit; he referred to the obvious endeavour not to embarrass some Conservative provincial premiers who were soon to have provincial elections.

But I think there are reasons beyond those, and on this matter the Minister of Finance was singularly silent. He usually does not lack words, but in explaining why we were not having a conference he was, I say, singularly silent. I suggest that the primary reason we are not having a dominion-provincial conference is that the government, as in so many other matters, is lacking in capacity for constructive decision. They are merely carrying on the attitude they have shown on so many other urgent and important questions, a "wait and see" policy; and they are simply trying to sit the situation out.

The hon. member for Bonavista-Twillingate (Mr. Pickersgill) was pretty shrewd, as usual, in matters of this kind. On June 3, 1958, as found at page 804 of *Hansard*, he had this to say:

> If the government does not act to change the statute in this session and if normal events follow we are going to be faced somewhere about next February or March with another urgent situation and we are going to have hon. gentlemen opposite saying another crisis has arisen because—and they will use words to this effect—"you talked so much we did not have time to have a federal-provincial conference", and we are going to be faced with another unilateral decree. That just is not good enough.

That again was most prophetic. Oh, the government gave some reasons. They were exceedingly puny reasons. One was that parliament was sitting. We have had many dominion-provincial conferences when parliament was sitting. It was said that the legislatures were sitting. We have had federal-provincial conferences when the legislatures

were sitting, and I have no doubt whatever that if the Prime Minister and the Minister of Finance extended invitations right now to the provincial premiers they would see to it that their legislatures permitted their absence for time enough to attend a conference of this importance. I suggest that this should be done.

I think another real reason for the failure to hold a conference during all this period of time, despite the very firm and ringing declarations about it, is that the present government lacks a policy to put before such a conference if it were held. They do not know what their policy is, and in this connection I think we find support for this view because when many prominent members of the present ministry were on the opposition side of the house they indicated that they were not at all happy with the type of formula we had for tax sharing between the federal government and the provinces. I can quote innumerable statements by members of the present cabinet that would lead anyone to the conclusion that they wanted something new in the way of policy. They talked about reallocating taxing powers and reallocating constitutional powers. I think we can very properly ask the ministry, are they abandoning and discarding the views they so often expressed in the house in the past?

I have here a statement of the Minister of National Revenue (Mr. Nowlan). As found at page 6015 of *Hansard* for July 16, 1956 he said:

> We in this party believe and have said time and time again that there should be a reallocation of responsibilities, that there should be a reallocation of taxation powers—

The Solicitor General (Mr. Balcer) took this view. In that same year the Minister of Trade and Commerce (Mr. Churchill)—I will also quote what he said earlier—had this to say as found at page 6064 of *Hansard* for July 17:

> But the root of the matter has not been attacked, and that is the division of responsibility between the dominion government and the provincial jurisdictions.

Then we have the Minister of Justice (Mr. Fulton), as found at page 6335 of *Hansard* for July 23, 1956. He talked about the exchange of constitutional responsibilities. Is this what is in the mind of the government? If so, one can imagine that the provincial premiers would like to know it at the earliest opportunity. This indeed, was the view of the Minister of Trade and Commerce on May 10, 1955. As found at page 3647 of *Hansard* he said:

> Dominion-provincial conferences may continue to be a necessity for Canada. If so, they should be restricted to the core of the problem, the division of administrative responsibility between the dominion and the provinces, and the division of fields of taxation.

We have heard that the Minister of Trade and Commerce is credited with being the architect of the victories of the Conservative party in recent election campaigns.

Mr. Pickersgill: He credits himself.

Mr. Benidickson: He credits himself, as somebody says; but in any event is this an indication that he is going to be the architect of policy with respect to dominion-provincial relations? I ask the house, Mr. Speaker, what is the chance of anything worth while being achieved by study groups consisting of officials of the provincial and federal governments if they are all wanting to know the views of the many new provincial administrations and the views of the new federal administration? They all know that the members of the federal cabinet have expressed so many views in the past that a very substantial change might be made in the set-up now that they have come to power.

I say that we are putting the cart before the horse when we suggest that officials acting in the dark, without instructions from political leadership, meet without knowing what are the policies of their political chiefs. There is doubt about equalization. How can officials of governments meet with any confidence when there is doubt even as to the type of thing that would meet with the approval of their political chiefs?

The Minister of Finance is very evasive with respect to his stand on equalization. Oh, he talks about equalization, but when an effort is made to find out just what kind of equalization we find that the minister is quite silent. On June 2, 1958, as found at page 742 of *Hansard*, an effort was made to try to find out what was the minister's view in this respect. The hon. member for Essex East asked the minister this question about equalization:

> Does that mean that the hon. minister now accepts the principle of equalization on the basis of the position of the two highest provinces?

The Minister of Finance replied:

> That is not what I said at all.

Indeed, he was most vague with respect to the type of equalization he might provide. What are some of the other reasons for the lack of policy? I think the leader of the C.C.F. group made a pretty solid observation yesterday when he talked about suitcase government and said there were simply not enough ministers around who would have direct responsibility for matters of this kind during the recess. That is not a view held exclusively

by the hon. member for Assiniboia (Mr. Argue). Quite a number of other people have expressed that view. I quote from the Winnipeg *Tribune*, which is not unfriendly to the present administration. That paper made this comment during the recess:

> Led by the ever-mobile Prime Minister, the Conservative cabinet is emerging as the most footloose band of have briefcase-will travel administrators in Canada's history.

I think everybody who has been in the house for any length of time knows there is no one in the press gallery who is normally more friendly to a Conservative administration than our good friend Mr. Norman MacLeod. On January 14 last he made this comment:

> —any log of the movements of the cabinet ministers since they assumed office would show a figure of absenteeism that no private enterprise could afford to admit. Literally, no international occasion has been too unimportant for some representative of the Canadian cabinet to attend.

The other day, after the reading of the speech from the throne, the *Financial Times* made this comment:

> The moment of truth is now at hand. —Let Ghana for one moment rest on its laurels; let the world make statements about freedom unspecified and couched in no compelling terms. Let Asians mind, for only a brief moment, their own business while the government in Canada attends to its own.

These are comments by people outside this house. It was a fairly shrewd observation of the leader of the C.C.F. in that respect. I think perhaps another reason that we have not had the conference is that at a conference I have no doubt the present ministry, particularly the Prime Minister (Mr. Diefenbaker) and the Minister of Finance (Mr. Fleming) would be asked about the money policy of this government. Certainly they did not hesitate to refer to that matter at the last convening on November 25, 1957. As reported on page 11 of the proceedings, the Prime Minister said this:

> Here in Canada, quietly and gradually over the last three months, the tight money situation has been eased. Those whose business it is to follow the bond market will have noticed it—

Even in the election campaign the same kind of thing was said at a later date. As late as March 14, 1958, the Prime Minister in Calgary, is quoted in the Winnipeg *Tribune*, as follows:

> The Prime Minister claimed that interest rates had fallen sharply as a result of government action since last June—

I must also quote the Minister of Finance; he would not want to be left out. When we had a similar debate a year ago, on January 27, 1958, as reported at page 3852 of *Hansard* of that date, he had this to say:

> That tight money policy has now been eased—

He referred to the municipalities.

> —in line with the policies of this government.

The question that I raise—and I am sure the provincial premiers would raise it—is this. If when interest rates are going down the situation is due to the policy of the government, what is the policy of the government that has resulted in the most expensive interest rates we have had for 25 years or 30 years? Of course we know what the stock answer is. The stock answer is that on an upturn of interest rates the wicked Americans are responsible. But when interest rates were going down, both the Prime Minister and the Minister of Finance said the situation was due to the good management of the government. I want to know whether or not the administration feel that they picked up some votes by claiming that they were responsible for effecting the interest rates described in the quotations that I have given. We know what rates we have had in recent times.

Mr. Speaker: Order. I think I should remind the hon. member that he is straying a bit from the subject matter.

Mr. Benidickson: I was saying, Mr. Speaker, that this would be one of the questions that certainly would be raised by the provincial premiers because the cost of their money is so important to them. But, Mr. Speaker, I simply close on that subject by saying that even in the current issue of the *Financial Post* it is indicated that these interest rates are still likely to rise.

In debates of this kind in the past the Minister of Finance was always talking about making room for the provinces in connection with expenditures. He denounced centralization and said that the previous administration was not making room. He used a very striking phrase at one time. In 1956, as reported at page 6295 of *Hansard*, he said this:

> The camel got its head into the tent, and instead of being content to share the tent with the former occupant has been busy trying to push the camel driver out.

When they look at the estimates that were brought down the other day, I wonder what will be the reaction of the provincial premiers, particularly when they know how difficult it is to raise the sums that will be required by them.

We heard a great deal about the municipalities. The minister for development in the province of Ontario this summer made a statement that any additional money that Ontario received from Ottawa would be passed on to the municipalities. That, of course, is exceedingly interesting to the municipalities in my province. In addition to that, we had many indications that something

in the nature of a new deal could be expected by the municipalities if we had a new administration.

Of course, they had an informal conference with the new administration and the answers that the government had in the election campaigns were certainly not the answers that they had for the municipalities when the municipalities met members of this administration last September. May I just quote some of the impartial observers who heard the lecture given by the Prime Minister to the municipalities. The hon. member for Essex East (Mr. Martin) gave yesterday the six or seven points or requests that were made by the municipalities. I will not repeat them because my time is running short. However, Mr. Harvey Hickey had this to say:

It—

He refers to the conference with the mayors.

—was informal if the word is interpreted to mean that no one was giving anything away.

Then in addition in the same article Mr. Hickey said that after the Prime Minister spoke to the representatives of the municipalities, one newspaperman jokingly remarked to one of the cabinet ministers on the similarity between what the Prime Minister said and what Mr. St. Laurent used to say to the mayors and reeves, and the answer of the cabinet minister, as quoted in this article, was:

Maybe the same people wrote the speech—

There has not been much change of policy in this respect. I should like rapidly just to indicate some comments that were made at this time. I have one headline from the Winnipeg *Tribune*: "P.M. throws cold water on hopes for more aid". Another one indicates "Defense, welfare cost curbs cash to cities, P.M. warns mayors". This is not the way in which the former mayor of Oshawa used to talk and who is now in a key position in the present cabinet. I refer to the Minister of Labour (Mr. Starr). He used fairly strong language in this respect as to the needs of the municipalities. He said, as reported in an article in January 1957:

A complete realignment of long-term taxing powers is needed.

Reference is made to shortsighted, pessimistic and unrealistic policies which result in expensive costs of money to the municipalities.

I have referred to some of these things. I think the administration should indicate what their attitude is to these matters which are of vital concern to the provinces and to the municipalities. Beyond what was mentioned yesterday in the excellent address by the hon. member for Essex East, I think that the provinces at a conference would want to know why there is any necessity for postponing until 1960 a conference on conservation. I think that many of them—particularly the western provinces and indeed the consuming provinces in eastern Canada—would want to urge the government to move quickly and to indicate what its policy is with respect to the rules for oil and gas industry. The *Financial Post* this week indicates that delay in matters of this kind may cost many people hundreds of jobs in 1959. The feature editorial states the urgency in this language:

The oil, gas and allied industries must promptly be released from their present purgatory of fear, apprehension and uncertainty so that important projects can get ahead in this coming construction season.

These are all matters that vitally affect unemployment. I am sure that the administration would benefit immensely by taking the premiers into their confidence because so many efforts along that line must be joint efforts. The fact that they are left in a vacuum, that they do not know the policies of the administration on such matters as I have indicated, and others, is contributing in a large fashion to the unemployment we have at the present time.

Mr. R. S. MacLellan (Inverness-Richmond): Mr. Speaker, my first words must be words of congratulation to the administration for what I consider to be the policy which is the most forward-looking and the most sympathetic to the provinces in regard to provincial-federal relations in a quarter of a century. Since the last war, as all hon. members know, great inequities had developed between the provinces and the federal government as regards the sharing of the tax dollar. These inequities across those ten years became at times so acute that in some ways they seemed to threaten our federation, as the provinces and municipalities sought always a larger share of the national revenue to meet ever-increasing demands for public and social service. As the revenues of the federal government were increasing year by year the share of the tax dollar that was available to municipalities and to provinces was actually decreasing, while at the same time the demands upon those two levels of government kept increasing. Finally, in the face of continual demands, the former administration sought to try to quiet the outcry of the nation by calling the federal-provincial conference of 1956. From that conference, all hon. members know, emerged the formula, very grudgingly given which provided 10 per cent of income taxes, 9 per cent of corporation taxes and 50 per cent of the succession duty revenue to the provinces.

It was very interesting, Mr. Speaker, to hear the words of the member for Essex East (Mr. Martin), and to hear of the new consciousness in the Liberal party of the problem of federal-provincial relations. In a fiery, ringing speech he challenged the government on its record of keeping its promises to the provinces, and challenged it on the basis of meeting the needs of the provinces at this time. From the way he spoke he announced a policy which was new to all people who had heard the Liberals speak before on dominion-provincial relations. He suggested that if the Liberals were in office they would immediately call a conference with the provinces. They would open all the vaults of Ottawa, and every provincial treasurer could find here everything which he needed to meet all problems which arose in his province.

I sat and listened to his speech carefully. It sounded good, but I am from the maritimes, and down in the maritimes our experience has been to beware of the Grits bearing gifts. Our experience with the actions of the Liberal party has been that they are a long way from the policy we hear so clearly ringing out from Liberal members of the house today. We find often, when we examine Liberal policy on this matter of federal-provincial relations, that like so many other things, the policy turns out to be like the Cheshire cat in "Alice in Wonderland": As you examine it, "it fades away till there is nothing left but the grin."

I would like to take you back, Mr. Speaker, a few years, to 1955 and 1956. They were days when everywhere across this land could be heard the complaints of the municipalities and of the provinces, that they were being squeezed, that they had to skimp to keep from running into deficits. In my own province a deficit was always very near. In the budget and the accounts of 1956 Nova Scotia was very close to the wire. In the following year it faced a deficit, and all during this time, all during those so-called good years when municipalities in my own province were facing these tremendous problems the government at Ottawa was wallowing in tremendous surplus.

It had lots of other money for many other projects in Canada but none at all to meet the needs of the municipalities in their constant striving to provide for the need for social and public services. There was no money at all to meet the growing demands of the provinces. The continual requests and prayers of the municipalities and the provinces fell upon deaf ears here in Ottawa. Take any single factor of provincial life in Nova Scotia in 1955 or 1956 and you see the same thing. You see us with an educational system in jeopardy, with many more students than we had schools to accommodate them. You see staggered student attendance; not nearly sufficient classrooms to provide for a decent education. Children were out of school more than in because seats could not be provided for them. We had a highway program that had shrunk, across the previous ten years, to the point where it was no longer meeting the needs of the province; it was totally inadequate. The program of new highways had slowed to a snail's pace, and there was barely sufficient money in the treasury of the province of Nova Scotia to maintain the already substandard highway system.

With regard to social welfare, we had nothing in the provincial treasury to help meet the increasing demands of our people and, as hon. members know, this is a particular problem in the maritime provinces, because the record of the Liberal administration in these provinces has been such that young people had to leave their homes year after year to find a living elsewhere. We have a much larger percentage than other provinces of people who are in need of social assistance. We have people of 65 and over who need pensions in order to carry on. We have people who are blind and disabled. We have more of them in the maritimes than anywhere else in Canada. Our provincial treasury could not meet the demands of these people for help and for services. At the same time, while municipalities suffered and skimped, while we in Nova Scotia and in the other maritime provinces went without, surpluses piled up here in Ottawa. No attention was paid at all to our needs.

Mr. Speaker, that was in 1956. By good fortune, by good luck for Canada, the arrogant government that centralized all money in Ottawa but could find nothing for the people of the provinces was defeated and a new government came into office. Immediately, in response to his promise to call a provincial-federal conference to discuss this most urgent question, the Prime Minister (Mr. Diefenbaker) and the Minister of Finance (Mr. Fleming) arranged a conference of the provincial premiers to consider the immediate problems of federal-provincial relations. The result of that conference is known to all. It meant a 30 per cent increase for the provinces in the provincial share of income tax. It meant, of most importance to Nova Scotia and to the provinces by the sea, the $100 million Atlantic adjustment grant, a grant which came just in time to save our provinces by the sea from bankruptcy. This extra $25 million a year poured into the Atlantic

provinces has meant a new lease of life for my province, as well as for our sister provinces. It meant tangible things.

For example, education, that had declined to the point where it might almost be called a disgrace, blossomed with the help of that money into a new program that has meant a terrific boost for Nova Scotia and a new life for our people. Mr. Speaker, over the last two years, with the help of this new aid from Ottawa, 162 new schools have been built in Nova Scotia, the biggest school-building program in our history. In 1956 we faced the position that because our treasury could not afford to pay decent salaries to our teachers, we were losing our teaching staffs. We were approaching the point where our educational staff would no longer be with us. The extra aid for the province and, in turn, the aid from the province to the municipalities in terms of assistance with teachers' salaries and so on meant that at least this problem of educational salaries had been met for the present.

I do not say that all problems of education have been met in Nova Scotia. It would be impossible in a year and a half, even with the help we have had, to turn back the clock and make up for 20 years of retrogression in Nova Scotia.

We come now to highways. In 1958, with the aid of the money made available to our provincial treasurer, the province of Nova Scotia paved 368 miles of highway, the biggest paving program in our history. Over the last two years the Nova Scotia department of highways has installed 236 new bridges, the biggest bridge building program in the history of the province. In addition, the federal government is making available under the roads to resources program the sum of $7,500,000 in the course of the next five years. This will mean an extra million and a half dollars a year for highways which we could not otherwise afford to spend. In my constituency alone the extra highway money will represent an increase of approximately $3 million in highway construction over a five-year period.

At the same time the municipalities are receiving much needed help through grants which could be made to them by the province from money which came from the government at Ottawa. In Nova Scotia in 1958 the province was able to pay 50 per cent of the cost of hospitalization to municipalities, and this great burden was lifted from the backs of the town and city councils and county councils in the province. Aid to the provinces has meant aid to the municipalities in terms of grants for the building of schools, and in terms of increased salaries for teachers. It has also meant—and I emphasize this as being, perhaps, most important of all—that in many cases where municipal taxes have been rising year after year they now have a much greater tendency to remain constant. I have read in some instances of county tax rates in Nova Scotia decreasing for the first time in many years. What it all amounts to is this: that the new policy of this government in the short one and a half years during which it has been in office has been a tremendous boon to Nova Scotia and, I am sure, to the other provinces of Canada as well.

In addition to the money provided as a result of the conference held in 1957 and under the adjustment grant, I should also like to draw the attention of hon. members to the tremendous volume of new assistance which has been made available across this nation under the conditional grants and the cost sharing programs. I should like to illustrate this point once more by referring to my own province of Nova Scotia. In addition to the adjustment money we have seen a great increase in money benefits under the Old Age Assistance Act, in blind persons pensions and in pensions paid to disabled persons. We have seen an increase in grants for hospital construction, in grants for the construction of the trans-Canada highway, in university grants and grants for building picnic and camping sites alongside the trans-Canada highway and elsewhere. I shall not take up the time of the house by putting on record all the figures showing the assistance we have received from these different programs during the relatively short period that this government has been in office, but let me say that in 1956-57, the last year of the former administration, Nova Scotia received by way of cost sharing programs and conditional grants the sum of $5,593,000. In 1957-58, the first year of the present administration, that amount rose to $8,990,000; an increase of 61 per cent in one year of Conservative administration. In 1958-59 the amount rose to $16,210,000, an amount which represents an increase of 190 per cent as compared with the amount paid during the last year the Liberal party was in power.

It is my hope that the generous policy of the present government toward the provinces and toward the maritimes provinces in particular will be continued. Nova Scotia needs help. It went down so far during the last 20 years and became so impoverished through lack of industry and lack of means to earn a stable living that it needs great help. Our maritime provinces need assistance more than any other province, and I must say we all appreciate the sympathy and assistance which the other provinces of

Canada showed at the conference in 1957 when they so readily agreed to the adjustment grant to the Atlantic provinces. If we continue as we are doing, if we continue to rebuild our education program and to go ahead with increased public services, and if we continue to industrialize the maritimes, I believe the day is not too far distant when we shall be able to support ourselves. We shall not have to come before the other provinces of Canada and before the government of Canada seeking help in order to maintain our essential services. Certainly there is a new approach evident today in dominion-provincial affairs. The provinces receive a sympathetic hearing in Ottawa; their problems are more quickly met. A continuing committee to deal with the fiscal problems of all the provinces is something we have needed for a long time.

We have only begun, of course, to repair the damage which has been done to provincial relations in the course of the last 20 years. We have only made a start. In the years that are to come we have a great job to do in building up federal-provincial relations and in seeing to it that each section of this great country has its fair share of opportunity. We must all keep in mind that each province and each region in this nation has its rights and that these rights must be safeguarded. When men from all parts of this land regard the problems of their neighbours with sympathy, and try to see their points of view, only then will we be able to make this nation the strong nation that it can become. We have made tremendous progress in provincial relations in the last year and a half. Even greater opportunities for progress lie ahead. I must say I was very pleased to hear this attitude expressed in speeches both today and yesterday by hon. members who belong to the Liberal party. In particular, the words of the hon. member for Essex East when he insisted that provincial rights should be respected and when he mentioned unity as being the key problem in Canada, were certainly good words to hear. Undoubtedly they represented a change in the policy of the party to which he belongs and which for 20 years would rather rely on the principle of divide and conquer, setting one province against another —Ontario against Quebec, the maritimes against Ontario and Quebec, and so on—than to foster Canadian unities.

Mr. Speaker, I hope the Liberal party is sincere in its new policy with regard to national unity. I hope, in particular, that their policy with regard to dominion-provincial relations has been renewed and refreshed. Hon. members will recall how interested the nation was in the question of dominion-provincial relations in 1957. As an example of the outlook of the Liberal party on provincial relations at that time they allowed candidates to go from platform to platform in my province and to appear on the radio and television with this slogan: "Save Nova Scotia from the Diefenbaker-Frost alliance".

This, Mr. Speaker, is the very thing that weakens this nation. It strikes at the ankles of Canada. It was the attitude, the theme of the late Liberal government in the matter of dominion-provincial relations. I will say also, that the recent speeches of these Liberal members are a far cry from their former attitude. They are a far cry from the time when Liberal policy and philosophy in connection with dominion-provincial relations could be expressed in the very simple, straightforward phrase, which I recall particularly when I hear them speak of Manitoba and Ontario, the phrase, "not a five-cent piece for a Tory province".

Mr. Erhart Regier (Burnaby-Coquitlam): I was very pleased indeed to hear about the wonderful progress that is being made in the province of Nova Scotia. I was very heartily in accord with the proposal of the government a year ago to make $7.5 million more available to Nova Scotia. If a relatively small sum like $7.5 million is able to work such wonders for one of the Atlantic provinces, I like to think how much more the proposed $150 million to be spent on the igloo to igloo highway program would do if it were used in the Atlantic provinces. I am sure the report would be even more glorious.

However, Mr. Speaker, the cruel fact remains that when compared to a year ago there is more hardship in Canada because of unemployment and there is much more economic uncertainty on the Canadian national scene. The amendment moved by the hon. member for Essex East (Mr. Martin) calls upon the government to call a federal-provincial conference at once to deal with serious problems of common concern such as unemployment and fiscal relations. Most of the speeches today have dealt with the matter of fiscal relations. I wish to underline the reference to unemployment. It is for that purpose now, Mr. Speaker, that I move, seconded by the hon. member for Kootenay West (Mr. Herridge):

That the amendment be amended by changing the period at the end thereof to a comma, and by adding thereafter the following words:

"and should present for consideration of such conference federal proposals:

(a) to assume complete responsibility for the welfare of the employable unemployed.

(b) to ensure employment opportunities to all Canadians willing and able to work; and

(c) to reduce the burden of interest rates on new provincial and municipal borrowings".

You will recall, Mr. Speaker, when on Wednesday last I attempted to move the adjournment of the house in order to call specific attention to this matter of unemployment you reminded me, as is recorded on page 677 of *Hansard*, that there would be an opportunity for a general debate on Monday on a subject of the choice of the opposition. I am very pleased to note that the spokesman of the official opposition on this occasion has brought up the seriousness of unemployment and is calling for a dominion-provincial conference to discuss possible remedies for that problem.

I should like to recall to your memory, Mr. Speaker, the statements on that occasion of the Minister of Public Works (Mr. Green) when he spoke on a point of order. He said that on the subject of unemployment the C.C.F., and these are his words, "had practically no suggestions to make." The Prime Minister (Mr. Diefenbaker) went a little beyond that. He is usually not so conservative in his estimate of things as is the Minister of Public Works for whom we have very high regard in the province of British Columbia and who, as you know, did not say the C.C.F. had not offered any ideas. He said we had offered practically no ideas. However, the Prime Minister said, and these are his words as recorded on page 677 of *Hansard*:

—though hon. gentlemen opposite, having the opportunity to make suggestions, made none.

I think that was a very wild statement coming from the Prime Minister of Canada, because I am sure that if he will read even the speeches of some of his own members, he will find many proposals to deal with the situation known as unemployment in Canada. Certainly, in the speeches of opposition members there were many more.

It is because the Minister of Public Works and the Prime Minister are asking the opposition to present their program on unemployment that I mean to do so this afternoon, in exactly the same comprehensive manner as the hon. member for Timiskaming (Mr. Peters) on January 29 last presented our program on the subject of inflation. We consider these to be the two major problems, and they should receive the serious attention of thinking people not only in this house but throughout the whole of Canada.

The unemployment situation is very serious indeed. I believe it was the hon. member for Skeena (Mr. Howard) who pointed out that these people who are unemployed are actually in need, and that they are not to be regarded as merely so many numbers in a recitation of cold statistics. We have once before in Canadian history gone through heavy unemployment, and we have seen the suffering and the misery that the people have had to endure. We have no intention of again going through a period such as that. In presenting our program I hope to present it as a program that might be presented by this federal government to a federal-provincial conference because we realize that the assistance of the provincial governments is necessary.

It will be seen that our program is evolutionary rather than revolutionary. We usually take account of past events when we make recommendations as to what should be done in the years ahead. I fully realize that the cost of our program may appear to some hon. members to be simply fantastic. However, we contend that it is not beyond the capabilities of our nation to meet this cost and we are quite prepared to tell the government how they can find the money necessary.

We would like to advise the government to cease this looking for scapegoats. It is hardly satisfactory to tell the wage earner that the farmer cannot buy the automobile he makes because the farmer has received more than he should. It is hardly satisfactory to tell the man engaged in agriculture that the industrial worker cannot buy the bacon and eggs because of these high wages. It is hardly satisfactory to blame communists for our own economic ills. It is hardly satisfactory to blame foreign competition, and I am very surprised when I see so many leading Canadians blaming the element of competition for our ills. It is hardly satisfactory to blame the type of flag we use or the type of anthem we sing for our unemployed. It will not do very much longer even to be blaming the former Liberal government for the state of unemployment in Canada. The people of Canada are not going to be misled by any kind of diversion, and they are not taking their eyes or their thoughts away from the problems that are facing us. The vision that is there, in fact, really exists in the imagination of the political propagandist whose responsibility it was to prepare the election program.

Mr. Fleming (Eglinton): I rise on a point of order, Mr. Speaker. At the outset of his remarks the hon. member read the text of an amendment which he indicated he proposed to move and without waiting for the amendment to be read from the Chair he proceeded to debate it. In my respectful submission, Mr. Speaker, he is quite out of order in so doing, because his amendment is out of order. If there is any question

about that, the amendment which the hon. member is proposing should now be read to the house so that it can be discussed because, in my respectful submission, Mr. Speaker, it is manifestly out of order. I ask that it be read from the chair, Mr. Speaker.

Mr. Regier: May I say a word on the point of order, Mr. Speaker? We had, in our opinion, cleared with the Chair as to the suitability of continuing to speak before the amendment was read. I maintain, Mr. Speaker, that anything I have said or intend to say relates very directly to the amendment proposed by the hon. member for Essex East and therefore whether or not my particular amendment is in order is completely irrelevant and the point should not be raised at this time.

Mr. Fleming (Eglinton): Mr. Speaker, further on the point of order, in the course of his remarks the hon. member did indicate that at the conclusion of his remarks he proposed to introduce an amendment to a particular effect. That is one thing. It is quite another thing for an hon. member to say, as the hon. gentleman did say at the outset of his remarks, that he was moving an amendment. The amendment has been circulated. A copy was handed to the Chair and, Mr. Speaker, that amendment is now before the house. It has not been read from the chair. I respectfully submit that it should be read, but it certainly is before the house. The fact that the hon. member's remarks may be in part relevant to the main amendment which is now before the house is no answer to the point that I am now raising. I would ask that the hon. member's amendment be now read because I respectfully wish to make a submission to the Chair that the amendment is clearly out of order.

Mr. Pickersgill: Mr. Speaker, I wonder whether I can say a word on the point of order raised by the Minister of Finance. I listened most attentively to what has been said by the hon. member for Burnaby-Coquitlam up to now and I can see nothing in what he has said that is not strictly relevant to the amendment moved by the hon. member for Essex East. I feel we should proceed in the ordinary way and wait until the hon. gentleman does move his amendment and not seek to anticipate a ruling of the Chair before the amendment is moved, because all members should have equal treatment in the house.

Mr. Deputy Speaker: Order. It was the opinion of the Chair that the hon. member for Burnaby-Coquitlam expressly said that he would move an amendment. Actually, though a copy of the amendment had been received by the Chair it was not the impression of the Chair that the amendment had yet been officially presented in the house. However, since it is a fact that at the present time the amendment is being discussed or debated by the hon. member for Burnaby-Coquitlam, I believe it would be preferable to have the amendment read to the house. Is it the pleasure of the house that the amendment be read at this point?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is moved by the hon. member for Burnaby-Coquitlam (Mr. Regier) and seconded by the hon. member for Kootenay West (Mr. Herridge):

That the amendment be amended by changing the period at the end thereof to a comma, and by adding thereafter the following words:

"and should present for consideration of such conference federal proposals:

(a) to assume complete responsibility for the welfare of the employable unemployed;

(b) to ensure employment opportunities to all Canadians willing and able to work; and

(c) to reduce the burden of interest rates on new provincial and municipal borrowings.

Is it the pleasure of the house to accept the subamendment?

Mr. Fleming (Eglinton): I now wish to raise a point of order and submit to you that this amendment is clearly out of order. You will recall, Mr. Speaker, that the amendment which has been under debate since yesterday afternoon is one calling for the holding of a dominion-provincial conference to discuss matters of common concern to the dominion and the provinces, and unemployment and fiscal relations were mentioned by way of illustration of what are matters of common concern.

The amendment which has just been introduced by the hon. member for Burnaby-Coquitlam proposes to amend that amendment by adding these words:

And should—

This is a direction to the government. I continue:

And should present for consideration of such conference federal proposals:

(a) to assume complete responsibility for the welfare of the employable unemployed;

(b) to ensure employment opportunities to all Canadians willing and able to work; and

(c) to reduce the burden of interest rates on new provincial and municipal borrowings.

Every one of those measures would involve the expenditure presumably of millions of dollars; every one of them. Here are three of them which my hon. friend in introducing his amendment has chosen to call the program of his party.

This is not put forward as something which the government might be invited to consider;

this is put forward on the basis of a direction from the house to the government to submit to a dominion-provincial conference proposals which would call for the expenditure of millions of dollars. Such an amendment at any time would be most manifestly out of order. The only way in which such a measure, whether it be a resolution, a bill or an amendment, could originate in this house is on a recommendation of His Excellency the Governor General and placed before the house by one of His Excellency's ministers. On that ground this resolution is completely out of order. Nothing could be more manifestly out of order than this kind of resolution which constitutes a direction by the house to the government to bring forward proposals which call for the expenditure of millions of dollars.

This is not the only ground on which this resolution is out of order, Mr. Speaker. This resolution has nothing in common with the amendment which it purports or proposes to amend. This is something entirely new: this is something not germane to the amendment now under debate in the house. I can think of other reasons why this amendment is clearly out of order, but I think the point is so plain and clear that I do not need to detain you or the house on the point. But I will refer to the ruling of Mr. Speaker Black on May 24, 1932. You will find it recorded in Beauchesne's *Parliamentary Rules and Forms*, third edition, at page 710. The gist of the ruling is as follows:

> A private member cannot move, on the motion that the Speaker leave the chair for committee of supply, an amendment to the effect that the government should proceed without delay with a certain undertaking involving an expenditure of public money.

This ruling was made on the occasion of a government motion to resolve the house into committee of supply. A private member moved an amendment but I will not attempt to read the full text of the amendment which was a very lengthy one. In effect, it sought an expression of the opinion of the house that the government ought to proceed without delay with certain steps which would have involved the expenditure of money. I quote:

> Mr. Cahan raised the point of order: That the proposed resolution involved a very large and unparalleled expenditure of money by way of nationalizing the Beauharnois power project and developing and extending it, and such a resolution could be introduced only by the government, with the approval of His Excellency the Governor General, who should recommend it to the house.

Mr. Speaker Black said:

> In my opinion the objection raised by the secretary of state is well taken.
>
> [Mr. Fleming (Eglinton).]

I will pass over the next few sentences.

> —it is not in order for a private member to move the resolution, nor would it be in order for a member of the government to move it without following well-defined procedure relating to the presentation and discussion of such resolutions, as defined by standing order 60 of this house, which further safeguards the principle by prohibiting the consideration and debate of a motion which involves any public aid or charge upon the people, even when made by a member of the government, upon the day it is made—

He then proceeds to quote section 54 of the British North America Act, quoted in Bourinot at page 406, and then gives this further quotation from Bourinot:

> No cases can be found of any private member in the Canadian commons receiving the authority of the crown through a minister, to propose a motion involving the expenditure of public money. No principle is better understood than the constitutional obligation that rests upon the executive government of alone initiating measures imposing charges upon the public exchequer.

Mr. Speaker Black went on to say:

> In my opinion this resolution if passed would be a direct order from the house to the government to do certain things which would involve an expenditure of public money. Therefore I say such resolution is not in order when moved by a private member.

That was the ruling of Mr. Speaker Black on May 24, 1932. You have before you, Mr. Speaker, a resolution of precisely the same nature that comes within precisely the same ban. This resolution now before you, in the language of Mr. Speaker Black, "if passed would be a direct order from the house to the government to do certain things which would involve an expenditure of public money." For this as well as the other reasons I have put forward I submit that this amendment is clearly out of order.

Mr. Argue: If I may say a word on the point of order that has been raised I should like to deal first with the contention that the subamendment is not relevant to the amendment. The amendment moved yesterday by the hon. member for Essex East reads as follows:

> This house is of the opinion the government should call a federal-provincial conference at once to deal with serious problems of common concern such as unemployment and fiscal relations.

Our subamendment reads in part as follows:

> —and should present for consideration of such conference federal proposals:
> (a) to assume complete responsibility for the welfare of the employable unemployed.

I suggest, Mr. Speaker, that is a very relevant amendment to the section of the

main amendment having to do with unemployment. Subparagraph (b) of our amendment reads as follows:

(b) to ensure employment opportunities to all Canadians willing and able to work.

Certainly that has to do with the whole question of solving unemployment. The main amendment calls for a federal-provincial conference to deal with serious problems of common concern such as unemployment and fiscal relations. I would suggest that within the realm of fiscal relations certainly comes the whole question of the interest policy of the government and the interest rates that must be borne by provinces and municipalities in connection with their borrowings. The fiscal policies of the government and its fiscal relations with the provinces have a very definite bearing on the question of interest rates.

I take it that the main contention of the Minister of Finance as to the validy of the subamendment is that its terminology would force the government to spend many millions of dollars. I submit that the wording of the subamendment is in the traditional form. First of all it says that "this house is of the opinion", merely expressing an abstract opinion of the house. I do not have the reference here but I can remember that a few years ago the house expressed its opinion to the government in power at the time that the subsidy on milk should be continued. This opinion was expressed unanimously by the house. The government did not comply with the expression of opinion but nonetheless the opinion was expressed.

If an amendment containing an expression of opinion is passed it does not force the government to bring in measures involving a cost of millions of dollars. If that were the case it would be farcical to debate private members' motions because almost every single private member's motion on the order paper, if it were considered by the government to be a direction to the government, would be a direction for the expenditure of money. The phraseology of such motions is in the traditional form, namely that in the opinion of the house the government should consider the advisability of doing so and so. The phrase "in the opinion of the house" is in the main amendment moved by the hon. member for Essex East and in the subamendment we ask the government to present certain proposals to the conference for consideration.

In the past we have had a government present green book proposals to such a conference for consideration and one could argue that as a result of these proposals having been submitted there had been no cost to the federal treasury. I submit that having regard to the terms in which the amendment and the subamendment together are drafted the subamendment merely asks the house to express an opinion. It asks the government to give consideration. It asks the government to present certain proposals to the conference for consideration.

I submit that in the traditional sense this in no way constitutes an expenditure of money by the house. After having given the subamendment the most careful consideration, I submit to Your Honour that it is definitely in order.

Mr. Fleming (Eglinton): Mr. Speaker, my friend has resorted to a very interesting diversion. He draws attention to the usual form of resolutions introduced by private members. There are a number of them on the order paper and they follow the well established form. They begin with the words, "that in the opinion of this house, the government should consider the advisability" of doing certain things. Yes, Mr. Speaker, that form is accepted as a proper one in connection with a resolution introduced by a private member but that is a very different thing from the kind of amendment you have before you now.

What is submitted to you here, Mr. Speaker, is not that in the opinion of the house the government should consider something but that in the opinion of the house the government should present for consideration to the dominion-provincial conference, which is an entirely different matter. This is not submitted for the consideration of the government. This is a direction to the government. I invite the attention of the Chair to the fact that similar words were used in the amendment of May 24, 1932, which Mr. Speaker Black ruled out of order. The amendment which he ruled out of order ran thus:

Inasmuch as parliament . . . declared the Beauharnois canal and the works appurtenant thereto to be a work for the general advantage of Canada—

Note these words, Mr. Speaker.

—it is the opinion of this house that the government should proceed without delay to determine the legality of the claim of the province of Quebec—

To do thus and so.

—and should it be determined that the ownership of such power is properly vested in the dominion then this government should submit, at the earliest possible date, the necessary legislation enabling the government to exercise the said rights of ownership to nationalize the whole project—

And so on.

And further in the opinion of this house that the government should without delay take all necessary and proper steps to determine whether or not the act passed by the legislature of Quebec . . . and the amendments thereto are ultra vires—

And further in the opinion of this house a royal commission should be appointed to investigate the reasons—

And so on.

Mr. Speaker, the amendment introduced today must have been drawn with some eye on the language used in the amendment of 1932 because it could scarcely be more completely on all fours with it or more completely governed by the decision made by Mr. Speaker Black on that occasion when he ruled that amendment out of order as one which would be a direct order from the house to do certain things which would involve the expenditure of public money.

Mr. Deputy Speaker: Order. I have listened with great interest to the remarks made by the Minister of Finance (Mr. Fleming) and by the hon. member for Assiniboia (Mr. Argue). I must come to the conclusion that this amendment in its present form, if passed by the house, would be an order initiated by a private member, to the government to spend public money. Consequently, since such a motion is unacceptable according to the rules and regulations, I believe that this motion in its present form is out of order and that it must be phrased differently in order to be accepted by the Chair. I therefore declare the motion to be out of order.

Mr. Regier: Mr. Speaker, I have what I believe will be an acceptable amendment this time and, at the conclusion of my remarks, I intend to move to add to the amendment proposed by the hon. member for Essex East:

—and should consider the advisability of presenting for consideration of such conference federal proposals:

And then follow (a), (b) and (c) are as they were before. I hope that amendment will at that time prove to be in order. If I may proceed from the point at which I was interrupted on the point or order, Mr. Speaker—

Mr. Martin (Essex East): Will the hon. member read the amendment again so that we can get the wording of it?

Mr. Regier: It will then read:

That the amendment be amended by changing the period at the end thereof to a comma, and by adding thereafter the following words:
"and should consider the advisability of presenting for consideration of such conference federal proposals:"

I believe the hon. member has the rest of the amendment. We believe that on this matter of unemployment which is being proposed as one for discussion at the proposed meeting of the dominion government with the provincial governments there are a number of immediate actions that must be taken at this time. We have therefore divided our proposals into two definite and distinct sets of recommendations. We have listed proposals of immediate urgency. The first one is that the government, in view of the length of time that many people must be unemployed, should immediately make to the provinces an offer to amend the Unemployment Insurance Act in such a way as to increase the weekly benefits payable thereunder. We believe that the government should immediately offer to utilize the offices of the unemployment insurance commission across Canada in order to deal with all employable unemployed, thereby removing these people from the jurisdiction of provincial and municipal departments of social welfare. We believe that an employable unemployed person ought not to be treated in or dealt with by a social welfare department. Rather, we believe that he properly belongs in the offices of the unemployment insurance commission. The third immediate recommendation is that the unemployment insurance benefits be payable until work is again found, the cost of such expansion of benefits to be borne entirely out of federal consolidated revenue and not out of the revenues of the provinces as is the case at the present time.

Mr. Fleming (Eglinton): If the hon. member were making remarks which were relevant to the main motion I would not now be rising; but his remarks are not relevant to the main motion. He is purporting now to proceed clearly to the discussion of something that is in the amendment which he has now indicated he intends to move at the conclusion of his remarks. He has not yet moved his amendment but he has already clearly indicated the amendment he proposes to introduce and he is now proceeding to discuss the terms of the amendment which he has indicated he intends to introduce at the conclusion of his remarks.

Until that amendment is introduced and is found to be in order, the hon. gentleman's remarks must be relevant to the main motion. However, they are not relevant to the main motion. The main motion is one dealing with the calling of a dominion-provincial conference. The hon. gentleman is not now discussing the calling of a dominion-provincial conference. He is talking about a program of the kind that is indicated in the (a), (b) and (c) parts of the motion which has been ruled out of order and which he now suggests to the chair he intends to introduce in modified form at the conclusion of his remarks.

I ask you, Mr. Speaker, to instruct my hon. friend to make his remarks relevant to the main motion until his amendment has been introduced and has been found to be in order. Remarks such as those he is making in proposing the assumption by the federal

government of responsibility for the welfare of the employable unemployed and the assuring of employment opportunities to all who are willing and able to work are not relevant to the main motion. There are in this house hon. members who are awaiting an opportunity to speak on the subject of the calling of a dominion-provincial conference which has been under debate in this house since yesterday afternoon.

Mr. Regier: On the point of order, Mr. Speaker, may I say this. It seems that the minister is not anxious to hear the C.C.F. proposals with regard to the unemployment situation. May I point out that the amendment proposed by the hon. member for Essex East calls for a federal-provincial conference at once to deal with serious problems of common concern such as unemployment and fiscal relations. If the minister does not want me to present any ideas that, in my opinion, the federal government ought to be presenting to such a conference on the subject of unemployment, then I do not know what is meant by the amendment moved by the hon. member for Essex East in the first place. Then all other talk is irrelevant. I feel that this is just another case of being a little bit supersensitive to a little bit of reminding of election speeches and assurances that have been given.

Mr. Fleming (Eglinton): Can we discuss the point of order, Mr. Speaker, without this demagoguery?

Mr. Argue: Oh, oh; after a two-hour speech by the minister.

Mr. Deputy Speaker: Order. It is quite certain that the last few words by the hon. member for Burnaby-Coquitlam (Mr. Regier) were completely out of order. It cannot be admitted by the Chair that those words should be used.

As to the point of order raised by the Minister of Finance, it is quite true that unemployment can be discussed during the debate on the present amendment since the amendment itself refers to problems of common concern such as unemployment and fiscal relations. However, it must be borne in mind by all members of the house that the question of relevancy is most important and that the discussion in the present debate must be directly on matters mentioned in the amendment, not on matters mentioned in the proposed subamendment which has not been proposed to or accepted by the house.

Mr. Regier: Mr. Speaker, if I may continue with my advice to the government with regard to what offers it ought to make to the provinces on the subject of unemployment, I propose that this government should also immediately offer to extend coverage under the Unemployment Insurance Act so as to include more, or if at all possible all, Canadian workers. This alone would relieve the provincial governments of considerable responsibility in looking after unemployed who have not the protection of the Unemployment Insurance Act at the present time.

I believe that the federal government should offer to the provinces to enlarge the scope of the Unemployment Insurance Act so as to give some protection to whole communities against the closing of any major industry. At the present time, the closing of Kitimat becomes, to a great extent, the responsibility of the government of British Columbia. The disaster in Nova Scotia becomes the major responsibility of the government of Nova Scotia. We have on numerous occasions, by means of resolutions, suggestions—and the hon. member for Timmins (Mr. Martin) has one on the order paper now, No. 14—called for the establishment of some type of machinery to be incorporated in the Unemployment Insurance Act whereby the provincial governments and municipalities will not have to bear the brunt whenever a major industry ceases to exist.

We recommend that the federal government should offer to extend their winter work program to May 1, and the federal government should offer to pay a larger share of the costs than they are at the present time. We recommend that the federal government should offer to re-activate the Municipal Improvements Assistance Act so as to make available low interest funds to municipalities who will participate in the winter work program.

Then—and this is, I think, maybe not of specific urgency, but certainly of immediate urgency—the federal government should offer to the provincial governments to undertake to share the cost of a major adult education and training program. Canada still urgently needs trained doctors, dentists, nurses, librarians, social workers, teachers, physical education teachers, civil servant officers, veterinarians, technicians and so on, to be trained in a program similar to that available for veterans after world war II, and to include a living allowance for these adult students while they are being trained to fill a national need. Mr. Speaker, many of these people, because of age or because of technological advances or automation, will, unless given training in some new occupation, never again be able to find useful employment. The federal government should relieve the provincial governments by recognizing the problem and undertaking to take the lead in this

regard. We believe that at this proposed conference the federal government should once again do as the federal government did in its 1945 green book proposals, that is once and for all to assume the complete cost of looking after Canada's employable unemployed.

Mr. Speaker, we have also long term solutions which we feel Ottawa should offer in its discussions with the provinces. However, we realize that that might not be possible at just one conference. Many, many conferences might be needed. Mention was made by the previous speaker of the aid that Ottawa has given in the field of highway building in his province of Nova Scotia. We feel that the federal government must offer to aid provinces and municipalities to meet their social investment capital needs. Under those capital needs of the provinces and municipalities such offers could be made as the sharing of the cost of a national highways program, rather than the present policy of sharing the cost of only one trans-Canada highway. We feel that the federal government should offer to share in the capital cost of education. This would leave the matter of curriculum to the autonomy of the provinces, and yet would go a long, long way toward relieving the burden on municipal and provincial taxpayers. We believe that Ottawa should offer to increase the present $2,000 per bed grant for building of hospitals to at least $5,000 per bed. We believe that Ottawa should offer to undertake a program to supply Canada with modern penal institutions. Some penitentiary buildings in Canada are a disgrace, and most of them leave much to be desired. We believe that the federal government should offer more aid to the provinces and municipalities for the building of houses at low interest rates, including housing for senior citizens. We believe that much greater financial assistance should be given to provincial governments to encourage the development of community provincial and federal parks and recreational facilities. We believe that Ottawa should offer to reactivate the Municipal Improvements Assistance Act so that municipal governments could get low cost long term capital for the building of sewers and waterworks.

The main solution to unemployment will, of course, be recognized by leaders on both levels of government. The main solution is to find adequate markets for Canadian production. Since the end of the war the situation in regard to markets, both overseas and at home, has been rapidly deteriorating. We believe that Ottawa could offer much to restore the purchasing power of the Canadian public. They could enlist the aid of the provinces toward the establishment throughout Canada of a minimum wage of not less than $1.25 per hour. I am very pleased that this recommendation now has the support of one of the Conservative M.P.P.'s in the Ontario house. I understand that yesterday he recommended that the minimum wage for the province of Ontario should be $50 a week. We believe that much could be done to supply employment if there were throughout Canada, both by provincial and federal legislation, a maximum 40-hour work week for everybody. We believe that the federal government itself could, by its own actions, do much to restore markets and purchasing power by paying adequate wages to some categories of its own civil servants. In this regard, I have mail carriers particularly in mind. We believe that with the co-operation of the provinces there could be established a national pension plan so that not only those who are able to work but all Canadians could enjoy an adequate minimum purchasing power. We believe that family allowances could be raised by this government to restore their original purchasing power. We believe that this government should enlist immediately the help of provincial governments so as to establish marketing legislation at both levels of government, and take other measures so that farmers will have parity prices and will also be able to act as consumers in Canada's economic life.

The federal government should offer to the provincial governments that if they will reduce the cost of living by removing some of the direct sales taxes which are being levied the federal government in its part will do its share and remove the 10 per cent sales tax on essential commodities. Employers would expand production in Canada if they could be assured that markets were available for their products.

Now, Mr. Speaker, I should like to move, seconded by the hon. member for Kootenay West (Mr. Herridge):

> That the amendment be amended by changing the period at the end thereof to a comma and by adding the following words:
>
> And should consider the advisability of presenting for consideration at such a conference the following proposals:
>
> (a) To assume complete responsibility for the welfare of the employable unemployed.
>
> (b) To ensure employment opportunities for all Canadians willing and able to work, and
>
> (c) To reduce the burden of interest rates on new provincial and municipal borrowings.

Mr. Fleming (Eglinton): Are any copies of the amendment available for distribution?

Mr. Regier: I sent six copies of the original up, and I supplied the table with another six copies.

Mr. Speaker: This amendment appears to be in the same form as the previous amendment with the exception of the words "consider the advisability of".

Mr. Fleming (Eglinton): In my submission this amendment, like the previous one is out of order. It is a little difficult to follow without having a copy in one's possession, but I will do my best to follow it in the light of the comparison you have indicated with the previous resolution.

Here, the hon. member is seeking to circumvent, if I may use that word without offence, the ruling which the Deputy Speaker made a few moments ago when he was in the chair in ruling out of order an amendment similar in form which proposed to add to the amendment of the hon. member for Essex East (Mr. Martin) certain words which began: "and to present for the consideration of such conference federal proposals" and so on to (a), (b) and (c)—(a), (b) and (c), all being matters involving the expenditure of public money and, indeed, of very large sums. That amendment was ruled out of order on the ground that it would have constituted a direction to the government to proceed with a matter which would involve expenditure, something which can only be initiated in the house by a minister with the recommendation of His Excellency, the Governor General. That was not the only ground of objection taken to the earlier amendment introduced by the hon. member for Burnaby-Coquitlam, but it was the ground upon which the Deputy Speaker ruled that amendment out of order. He did not comment on the other grounds upon which I argued that the amendment could not be accepted.

Now the hon. gentleman has simply added four words to those he is asking to have added to the amendment proposed by the hon. member for Essex East. The amendment asks now that the government should consider the advisability of these proposals, all of which relate to the expenditure of large sums of money.

I turn now to one of the other grounds upon which I submitted that the first amendment was out of order. Even if it be contended that the present amendment does no more than ask the government to consider a certain course, I submit that it is clearly out of order on several grounds. The first is the ground of relevancy. We have had under debate for the past 24 hours an amendment relating to the calling of a federal-provincial conference. The amendment is proposed in a form which simply seeks an expression of the opinion of the house that the government should call a federal-provincial conference at once to deal with serious problems of common concern such as unemployment and fiscal relations. The whole substance of that amendment concerns the calling of a dominion-provincial conference. What have we added here, Mr. Speaker? We have added here a whole group of proposals, far-reaching in their scope, which the hon. member says the federal government should submit to the provinces. These cover such a wide field as assumption by the federal government of complete responsibility for the welfare of the employable unemployed, ensurance of employment opportunities for all Canadians willing and able to work, and—an entirely different subject—the reduction of the burden of interest rates on new provincial and municipal borrowings. I submit that this amendment is clearly out of order on the ground of irrelevancy. This amendment is not relevant to the amendment which has been under debate for the past 24 hours.

In the second place—and this ground is not unrelated to the first ground—this amendment purports to enlarge very widely the scope of the amendment. That is not open to an hon. member of this house in relation to an amendment at any time, let alone an amendment to resolve the house into committee of supply. The rule is plainly stated in Beauchesne, fourth edition at page 171, as follows:

> It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed. The law on the relevancy of amendments is that if they are on the same subject-matter with the original motion, they are admissible, but not when foreign thereto. The exceptions to this rule are amendments on the question of going into supply or ways and means.

On the matter of the enlargement of the scope of the motion may I refer to page 169 of Beauchesne, fourth edition, paragraph 202, sub-paragraph (3):

> Since the purpose of a sub-amendment is to alter the amendment, it should not enlarge upon the scope of the amendment but it should deal with matters that are not covered by the amendment; if it is intended to bring up matters foreign to the amendment, the member should wait until the amendment is disposed of and move a new amendment.

The amendment now submitted so widens the scope of the main amendment as to make it quite unrecognizable. On this ground, and on others I could mention, I submit that the amendment is completely out of order.

Mr. Speaker: I wonder if the minister would help me by telling me whether his contention is that the three additional subject matters mentioned, additional, that is, to the two subject matters named in the original amendment, namely unemployment and fiscal relations, are fit and proper subjects for discussion at a dominion-provincial conference,

because I think that has a bearing on whether they are relevant to the amendment.

Mr. Fleming (Eglinton): That would depend entirely on the scope of the conference. Conferences can be called for certain designated purposes. Every conference has some scope attached to it at the time of calling the conference or in relation to an agreed agenda.

Mr. Argue: If I might, I should like to say a word on this point. When the Minister of Finance (Mr. Fleming) sat down he said that, for this and other reasons which he did not care to go into for the moment, the subamendment was out of order. Perhaps if this amendment needs to have one or two words deleted from it the minister could advance these other undisclosed arguments which he has and which he would not allow the house to hear.

It is just about an hour since the hon. member for Burnaby-Coquitlam (Mr. Regier) rose to speak. I think if the house had dealt with the first amendment he presented, in the terms in which he presented it the business of the house would have been expedited. The question is, however, whether or not the proposed subamendment is in order. The deputy speaker in advising us that the phraseology of the first subamendment was out of order said that it would mean an expenditure of money by the federal government. This was the main reason, I think the only reason, why the Deputy Speaker felt that the subamendment, as it was originally drafted, was not in order. However, that particular omission in the subamendment has since been corrected.

In so far as relevancy is concerned, I could scarcely understand the Minister of Finance attempting to make a case that the subamendment was not relevant because it is related to the terms of the amendment presented by the hon. member for Essex East (Mr. Martin). It has to do with the calling of a federal-provincial conference to deal with unemployment and fiscal relations. Certainly, any consideration of the advisability of the proposal to assume complete responsibility for the welfare of the employable unemployed is very pertinent to the whole question of unemployment. The same thing could be said of subparagraph (b), which asks for the consideration of the advisability of presenting for consideration of such conference federal proposals to ensure employment opportunities to all Canadians willing and able to work. Surely, that is very much a part of the discussion of the unemployment situation.

[Mr. Speaker.]

Mr. Speaker: Order. I am disposed to agree with the hon. member that the amendment is relevant. It would save the time of the house if he allowed me to enquire whether or not there is any member who would like to advance different or other grounds for considering the proposed subamendment to be irregular? If not, I feel that the initial objection which was taken to the subamendment in its first form has been cured by the addition of the words which no longer make it mandatory for the government to proceed if the house adopts the amendment. All the present subamendment calls for the government to do is to consider the advisability of presenting these proposals, and if this subamendment were adopted it would leave the government free, after consideration of the advisability of presenting these proposals to a dominion-provincial conference, to come to the conclusion it should not submit these matters. There is not, therefore, necessarily an expenditure of public money involved in the amendment.

On the question of relevancy, I am relying on the reference which the minister gave me to Beauchesne's fourth edition, citation 202, which deals generally with these matters. It seems to me that the scope, and "scope" is the word Beauchesne uses, of the initial amendment proposed by the hon. member for Essex East covers anything that would come properly within the purview of a dominion-provincial conference. The things which were mentioned in the original amendment as being desirable for consideration by such a conference were unemployment and fiscal relations. The subamendment repeats unemployment in item (b) in these words:

(b) to ensure employment opportunities to all Canadians willing and able to work;

It does not, therefore, really add anything to the initial amendment. The subamendment also proposes that two further items, (a) and (c) be considered for submission for such a conference. One of these deals with the employable unemployed which, as I understand it, has been a subject of discussion between the provinces and the dominion over the years. The final one is to reduce the burden of interest rates on new provincial and municipal borrowings. Perhaps this is less purely a matter for a dominion-provincial conference although it has certainly been involved in discussions of the relations of these two sets of governments.

In my view, the amendment is sufficiently relevant to allow it to go to a vote. Is the house ready for the question?

Mr. Martin (Essex East): May I say a word by way of seeking clarification of the very

painstaking ruling Your Honour has just made. The resolution before us, of course, as the Minister of Finance pointed out earlier, is in substantially different form. We are not being called upon by the hon. member for Burnaby-Coquitlam (Mr. Regier) by this amendment to do any of these things or indeed to decide whether or not these things should be done. If I understood what Your Honour said, all we are being asked to do is to say that the house is of the opinion that it should consider the advisability of presenting for the consideration of such conference, such federal proposals as are related to (a) (b) and (c). I would assume that was the gist of the ruling which Your Honour has just given, and just before I exercise my right to vote on the matter I would be grateful if Your Honour, by a quick acknowledgement, would indicate whether or not I have properly interpreted what you said.

Mr. Speaker: I am afraid I cannot act as adviser to the hon. member for Essex East. I have given a ruling that the amendment appears to me to be in order. It is open to any member of the house to interpret it as he wishes. Is the house ready for the question?

Mr. G. W. Montgomery (Victoria-Carleton): It is a little difficult to hear down in this corner, Mr. Speaker. Sometimes we cannot hear everything that is going on up there and this causes us some hesitation.

This amendment moved by the hon. member for Essex East (Mr. Martin) is one which would always give rise to a very good debate in the house. Anything that has to do with federal-provincial relations is of very great interest to all members of parliament. It is also of interest to all members of provincial legislatures and municipal councils and to anyone who has anything to do with government.

When the hon. member for Essex East commenced his address he mentioned that under our constitution we are a federation of states. Our form of government, of necessity, does call for a certain amount of discussion between the various levels of government. I think we would all agree with him on that but I would also like to mention that I think the type of government we have in this country is a form of partnership. When it was first considered we had four provinces in what was called Upper and Lower Canada and we had the maritime provinces. I should like to say to hon. members that it was not those who were governing the maritime provinces who came up here seeking to join with the provinces of Upper Canada. As the hon. member for Queens (Mr. Macquarrie) said this afternoon, it was those in Upper Canada who came down seeking union, or the consideration of union, with us. I believe it was a great move on their part and I am glad that union took place, but in that union we created a partnership under which one part of Canada undertook to help other parts of Canada. Not only did we undertake that in that partnership but we undertook the duty to protect the freedoms, the rights and the traditions of each of the two great nations of this country.

In discussing this question of federal-provincial relations we must keep that before us at all times. As the Minister of Finance (Mr. Fleming) said last night, it has been the policy of the Conservative party and also the policy of the original Liberal party that went into confederation that at no time would the constitution—if you wish to call it that—or the partnership be changed unless there was thorough discussion and agreement among the provinces involved.

The question that the amendment brings before us, if I may paraphrase it, is that we in the house are to decide that there be a federal-provincial conference called at this time. I think that is the question put to us.

Mr. Pickersgill: Right.

Mr. Montgomery: I listened attentively to and I enjoyed the speech made by the hon. member for Essex East. From his point of view I think he presented very strong arguments. As I read it over I came to realize that he put forth the position that we should have a federal-provincial conference called at once, not next week, but at once. He went on to cite quotations from members who formed the opposition a few years ago, some of whom are in the government today and some of whom are not, to indicate that at that time the government of that day could call a conference at once. They were pressed to call a conference at once and therefore the government today could call a conference at once.

I then looked for the reasons why this conference should be called at once and I found that, as far as I could see them spelled out in the very interesting outline, there were three outstanding reasons he gave. The first one was a constitutional amendment. I am not going to take issue with him on that; I am not going to take issue with him on the principle of constitutional amendments. If constitutional amendments are necessary, then I believe a conference should be called before any amendments are undertaken. Is there any great rush to call a conference to amend the constitution? I do not think any have been cited. I do not know of any great rush. I see no reason to stop the

business of this house or of any provincial legislature for that purpose. There are no constitutional issues before us and I see no reason to call a conference between the provincial and federal administrators for that purpose.

The second point the hon. member raised quite clearly was that of human rights. I think the Prime Minister (Mr. Diefenbaker) answered that point quite well today in answering questions on the orders of the day. I think he very well answered the argument there. I wondered what the hon. member for Essex East expected to attain by asking for the calling of a conference of the federal and provincial governments on the question of human rights. I cannot see anything to be gained. Would it be possible that there might be a political motive behind such an item as this? I would hope not. Nevertheless, as I have said, I have read the hon. member's speech. I cannot find the particular quotation I would like to use but if I am wrong in what I say I know the hon. member will correct me. In effect he said that a few years ago the government of which he was then a minister undertook to call a conference to consider amendments to the constitution or did call one for that purpose, and it was not successful. Of course, he tried to flatter the Prime Minister and this government by saying that we were much more friendly with the provinces that objected at that time, and that may be true. But I do not believe that we have travelled far enough along the road yet to change the opinions of the gentlemen concerned. I do not blame them. I believe that we must guard—we do believe it down east and they believe it in the province of Quebec—the constitution very carefully, and it must be considered very carefully before we undertake to bring in amendments. But suppose all that the hon. member says were true. What is the great rush?

With respect to human rights, I can see no great rush for calling a federal-provincial conference in order to enlighten us on a question we are going to have to vote on if the bill of rights comes before the house. There may be differences of opinion but I am satisfied that hon. members will have the right to vote and as they see fit on the bill of rights according to their consciences. I think it is something that should not be considered until the bill is placed before us and we can see whether there have been any amendments. I do not see any reason for it there.

The third one is unemployment. I think that is quite a legitimate reason because according to the figures unemployment is a very serious problem in the country today.

We have heard about it ever since parliament opened and we are in no position to do anything but admit that it is bad. In fact, unemployment is bad if there are two men in the country out of work who want work.

I was listening to the radio the other morning and heard a report of something that unfortunately is not isolated. I do not know whether the report was true but it came from Smiths Falls, Ontario. I do not know whether it is a small town or a large one but that town or city had arranged for some work under the winter program. They went to the unemployment insurance office to get men to do the work and the report that came over the radio was—if it is wrong I should like to have it denied—that they could not obtain anyone to carry on that work. No one listed as wanting work with the unemployment insurance office would go to work. The officials of the town had to go out into the country and hire people there. It may be that they got men in the country who where out of work. It may be that they got men from the country who were glad to work. As a matter of fact, the constituency in which I live is rural and you can always get a man if you want a job done. As a rule he is willing to work but he is not looking for work in the wintertime, and that is just about the situation.

I know that that might be an excuse for calling a conference but I listened to the Minister of Finance last night and I believe the hon. member for Essex East requested an answer. There have been conferences between the provinces and the federal government concerning unemployment. Apparently the provinces, the municipalities and the federal government have been getting together. They have devised a program, are carrying it out and everything is being done that could be done if we had a conference. So, Mr. Speaker, I think any weight in that request has been taken away.

I think the hon. member for Essex East brought this matter forward quite legitimately. It was a good thing to bring forward. It was a good thing that the government had a chance to explain what has been done. I do not suppose he knew what was going on. You cannot blame him for that and I do not because I think he presented his case in a wonderful way. At the same time, I think that the Minister of Finance answered his arguments in a better way.

May I also say that I have a lot of confidence in the provincial premiers and the members of the legislatures. It seems to me that we spend a lot of time in the house arguing, debating and saying what we should

do for the provinces. I wonder whether we are not wasting a great deal of time. Under our constitution the provincial legislatures have full control of the subject matters allotted to them under the British North America Act. The people elect their representatives to those legislatures. In doing so they must have confidence in them and if they have confidence in these men I am sure I have. Frankly, I am prepared to leave it to the men charged with the responsibility of dealing with provincial affairs to look after their own business. I think they are quite capable of doing so and in my opinion we have plenty to do in the federal field if we attend to our own business.

In my view we waste a terrible amount of time. I know that some hon. members may say that when I was sitting in the opposition I did so too but I have learned something in the few years I have been here. I really think we waste considerable time so I am prepared to leave the problems of the provinces and the problems of the municipalities, which come under the authority of the provincial governments, to the men in charge of the provinces until such time as the provinces come to us and say that they cannot cope with their problems.

I think that this debate has wandered far afield. An amendment was presented before I began to speak, and although I did not hear the ruling I believe it was ruled in order and we will have to vote on it. Regardless of how it was worded it did seem to indicate what some members belonging to the C.C.F. party are thinking. I do not know whether or not they all agree on this point but it looked to me like they were taking advantage of the opportunity to place their social program on the record through the back door. If the federal government said to the provincial governments, if the provincial governments said to the municipalities or if the municipalities said to their school boards, "we will assume all responsibility, we will hire your teachers, we will raise their salaries, we will build the schools, we will buy the buses, we will transport the children to school, we will build gymnasiums for them to play in and it will not cost you anything", human nature being what it is can you imagine anybody on a county or town council turning down such an offer? I do not think so. I have had a lot of experience on county councils. Neither would the provinces turn down such an offer. As the Minister of Finance said, if we invite them here and offer them all these things we may as well make up our minds right now that they are going to take them. Why should they not do so? We will be responsible for raising the money and raising money, as every member knows, means taking it from the people. I do not believe in turning out money by machine. There is only one way by which to get the money to do the things mentioned in the subamendment and that is by raising taxes.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Montgomery: Mr. Speaker, when the house adjourned at 6 o'clock I was discussing generally the necessity for the calling of a federal-provincial conference. I had tried to look for the reasons for it and I was trying to make the point that I had grave doubts that good reasons for it had been advanced in the argument supporting the amendment. As I said, I trust that provincial members will look after their own affairs fairly well. As far as I know, that is so. I can only speak more or less for the east or at least for my own province; I should confine it to that.

Not knowing that I was going to be discussing this issue and not knowing that this issue was going to be up for consideration, a few days ago I had the privilege of meeting and having a long chat with one of the cabinet ministers in my own province. They seem to be quite happy down there in view of the fact that for a number of years, ever since the war the premiers of the maritime provinces have been pressing for certain rights or what they felt were rights. They were asking for special grants at each one of those conferences. In 1952 the tax rental agreement was renewed and improved. They appreciated that action. In 1955, when the matter came up again for discussion, they pressed their case again. It is interesting to note that politics was not a part of that program as far as the maritime premiers were concerned. At that time there were Premier Hicks of Nova Scotia, Premier Matheson of Prince Edward Island, both good strong supporters of the federal government at that time, and Premier Flemming. I do not need to take much of the time of the house but I think it is worth while to refer shortly to what each of them had to say. I am referring to the proceedings of the federal-provincial conference of 1955, dated October 3, 1955. I am going to quote Premier Hicks first. These remarks will be found at page 43. The premiers were pressing their claim. They had been pressing it previously. Here is what he said:

It is now evident that the relative capacity of the different provinces to provide even a minimum

standard of services cannot be determined by reference to population figures alone. If, therefore, population does not provide a satisfactory yardstick to measure the extent to which a province should share in the general tax revenues of Canada, what yardstick can be applied? I suggest that any formula which might be devised should take into consideration not only the population of the province but also its tax potential.

He then goes on to support that proposition by a strong argument. As I said this afternoon, the maritimes came into this union or into this partnership and it was recognized at that time that they must have something to compensate them in view of the revenues that they were giving up, the location they were giving up, because at that time their trading area was not east and west—it was not west as far as we were concerned—their trading area was north and south. That was recognized by confederation.

I should also like to mention what Premier Flemming said because, again, they were asking for the same thing. He said this:

However, experience has indicated that the tax rental agreements do not go far enough to meet the needs of low-income provinces in that they are largely based upon a per capita plan of compensation. We are firmly convinced that these provinces should receive a national adjustment grant to compensate them for their lack of taxable capacity in respect of those sources of revenue remaining to them.

As hon. members know, at the time of confederation there was taken away from these provinces the right of indirect taxation, so to speak. If they wanted to raise taxes they were obliged to do it directly. As all hon. members know, that is the type of tax that seems to hurt the worst, is the hardest to collect and therefore is the most unpopular. After quoting some parts of the Rowell-Sirois report, something which I am not going to do, he ends up by saying this:

The government of New Brunswick urges with all the force at its command that, in addition to the tax rental agreements, there should be adjustment grants to the low-income provinces, and we submit herewith a formula, based on relative per capita personal income which would, we consider, accomplish this purpose in a simple and equitable manner. The formula is as follows:

1. Determine the average amount in dollars by which the per capita personal income of each province falls short of 85 per cent of the capita personal income of Canada for the latest three years for which this information is available.

And so on. I am not going to go into that matter now because I have not the necessary time. I think hon. members are familiar with the formula. Premier Matheson backed him up. I just want to read a word or two of what he said. It is all in the report and there is no need of my taking up the time of the house unduly. Premier Matheson said this:

In 1946 we accepted the tax-rental agreement offer, not because it represented some recognition of fiscal need but with a hope that during the lifetime of that agreement a more satisfactory formula would be devised. In 1952 the federal government proposed a new guaranteed minimum payment based on the one allotted to a province under the 1947 agreement with an increase proportionate to change in provincial population and per capita gross national product between 1942 and 1948.

No recognition of a province's fiscal need problem or its tax-raising ability was taken into consideration in the re-allocation or distribution of the tax moneys—

[Mr. Montgomery.]

I think that is generally conceded. At the end of the conference the maritime premiers went home feeling that they had not been given the consideration which they should have had.

I can speak for my own province. In 1957, after that conference of 1956, and after the legislation was brought down in this house permitting the payments which the federal government said they could make and apparently could not go any further, here is what the provincial secretary treasurer of the province of New Brunswick said in presenting his budget in 1957. First of all he quoted the New Year's message from the premier of New Brunswick:

The goal of your government since 1952 has been to do everything possible to narrow the economic gap which has existed for so long between this province and some of the wealthier provinces.

One of the avenues by which this "narrowing of the gap" could be done, we believed, was through the medium of a national adjustment grant to supplement the new tax rental agreement. Our proposal was that this adjustment grant go to provinces whose per capita income was below 85 per cent of the national average.

And he goes on:

Failure by the federal authorities to recognize this principle of a national adjustment grant is, we believe, a shocking disregard of the problems faced by the poorer provinces.

That was the feeling after the 1956 conference, and after the legislation went through. That was the feeling which existed in the maritime provinces. So are you very much surprised that the election which followed showed Prince Edward Island and Nova Scotia coming back here practically unanimously for this government?

Then a conference was called. There is no need to go into the argument whether or not it should have been called or as to when it should have been called, or whether it was called as quickly as the Liberals think it should have been called. The fact is that a conference was called after the election in June at the earliest date which the government could arrange, and the matter of a month or two does not make much difference in the affairs of a nation. Those premiers came back, although Premier Hicks had been discarded by Nova Scotia and in his place came a new premier. Nevertheless, the new

premier put forward the same case that Premier Hicks had, and he quoted Premier Hicks in some of his presentations. The result of that conference was that the present government listened to those premiers, and in the communique which was issued as a result of that conference, as a result of the attitude of the present federal government there was a conviction all across this country—

Mr. Speaker: Order. It being 8.15 o'clock, it is my duty, pursuant to section 4 (d) of Standing Order 56, to interrupt the proceedings and put forthwith the question on any amendment now before the house.

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

YEAS

Messrs:

Argue
Badanai
Batten
Benidickson
Boivin
Boulanger
Bourget
Bourque
Brassard (Lapointe)
Caron
Carter
Crestohl
Denis
Dupuis
Eudes
Fisher
Forgie
Garland
Godin
Gour
Habel
Hardie
Hellyer
Herridge
Houck
Howard
Leduc
Lessard
Loiselle
McIlraith
McMillan
McWilliam
Martin (Essex East)
Martin (Timmins)
Meunier
Michaud
Mitchell
Nixon
Pearson
Peters
Pickersgill
Racine
Ratelle
Regier
Richard (Ottawa East)
Roberge
Robichaud
Tucker
Winch—49.

NAYS

Messrs:

Aiken
Aitken, Miss
Allard
Allmark
Anderson
Asselin
Balcer
Baldwin
Barrington
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Best
Bourbonnais
Bourdages
Brassard (Chicoutimi)
Brooks
Broome
Browne (St. John's West)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Campeau
Casselman, Mrs.
Cathers
Charlton
Chown
Churchill
Clancy
Coates
Comtois
Cooper
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Doucett

Division

Drysdale
Dubois
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flynn
Fortin
Fulton
Grafftey
Green
Grenier
Grills
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Johnson
Jones
Jorgenson
Jung
Keays
Kennedy
Kindt
Korchinski
Kucherepa
Lafreniere
Lahaye
Lambert
LaRue
Latour
Legere
Lennard
Letourneau
Macdonald (Kings)
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
Macquarrie
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McGregor
McLennan
McPhillips
McQuillan
Mandziuk
Martineau
Martini
Matthews
Milligan
Monteith (Perth)
Monteith (Verdun)
Montgomery
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nielsen
Nowlan
Nugent
Ormiston
Pallett
Parizeau
Pascoe
Payne
Pearkes
Phillips
Pigeon
Pugh
Rapp
Rea
Regnier
Richard (Kamouraska)
Robinson
Rogers
Rompre
Rowe
Simpson
Skoreyko
Slogan
Small
Smallwood
Smith (Calgary South)
Smith (Hastings-Frontenac)
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Speakman
Spencer
Stanton
Starr
Stearns
Stefanson
Stinson
Tassé
Thomas
Thompson
Thrasher
Tremblay
Valade
Villeneuve
Vivian
Walker
Webster
Weichel
Winkler
Wratten—171.

The house divided on the amendment (Mr. Martin, Essex East) which was negatived on the following division:

YEAS

Messrs:

Argue
Badanai
Batten
Benidickson

Division

Boivin
Boulanger
Bourget
Bourque
Brassard (Lapointe)
Caron
Carter
Crestohl
Denis
Dupuis
Eudes
Fisher
Forgie
Garland
Godin
Gour
Habel
Hardie
Hellyer
Herridge
Houck
Howard
Leduc
Lessard
Loiselle
McIlraith
McMillan
McWilliam
Martin (Essex East)
Martin (Timmins)
Meunier
Michaud
Mitchell
Nixon
Pearson
Peters
Pickersgill
Racine
Ratelle
Regier
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robichaud
Tucker
Winch—50.

NAYS

Messrs:

Aiken
Aitken, Miss
Allard
Allmark
Anderson
Asselin
Balcer
Baldwin
Barrington
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Best
Bourbonnais
Bourdages
Brassard (Chicoutimi)
Brooks
Broome
Browne (St. John's West)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Campeau
Casselman, Mrs.
Cathers
Charlton
Chown
Churchill
Clancy
Coates
Comtois
Cooper
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Doucett
Drysdale
Dubois
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flynn
Fortin
Fulton
Grafftey
Green
Grenier
Grills
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Johnson
Jones
Jorgenson
Jung
Keays
Kennedy
Kindt
Korchinski
Kucherepa
Lafreniere
Lahaye
Lambert
LaRue
Latour
Legere
Lennard
Letourneau
Macdonald (Kings)
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
Macquarrie
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McGregor
McLennan
McPhillips
McQuillan
Mandziuk
Martineau
Martini
Matthews
Milligan
Monteith (Perth)
Monteith (Verdun)
Montgomery
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nielsen
Nowlan
Nugent
Ormiston
Pallett
Parizeau
Pascoe
Payne
Pearkes
Phillips
Pigeon
Pugh
Rapp
Rea
Regnier
Richard (Kamouraska)
Robinson
Rogers
Rompre
Rowe
Simpson
Skoreyko
Slogan
Small
Smallwood
Smith (Calgary South)
Smith (Hastings-Frontenac)
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Speakman
Spencer
Stanton
Starr
Stearns
Stefanson
Stinson
Tassé
Thomas
Thompson
Thrasher
Tremblay
Valade
Villeneuve
Vivian
Walker
Webster
Weichel
Winkler
Wratten—171.

Mr. Speaker: I declare the motion lost. The question is on the main motion. Is the house ready for the question?

Mr. McIlraith: No.

NATIONAL CAPITAL PLAN—REFERENCE TO INADEQUACY OF REPRESENTATION

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to take a very few minutes of the time of the house to present a grievance which I think deserves the attention of the government in the immediate future. I, therefore, take advantage of the first opportunity to present it as a grievance. The subject I wish to speak about has to do with the development of the national capital plan and the national capital commission.

Hon. members will recall that since 1899 the federal parliament has seen fit to legislate on this subject and has provided, in one form or another, for a commission to deal with the development and beautification of the capital of the country. The history of that development is rather interesting, but I promise the house I will not take the time to develop it here tonight. The first act setting up the Ottawa improvement commission was brought forward in 1899 by the government headed by Sir Wilfrid Laurier. Succeeding

governments from that day to this have tried to carry on the plan to meet the needs of the times and have, I think it is fair to say, done so in a way that has met with the general approval of all parties in the house. There may at times have been minor differences, but I think that has been the approach to the problem.

It will be recalled that the work was continued under the government of Sir Robert Borden which followed. Then in 1927, as changing circumstances required, the Ottawa improvement commission was changed to the federal district commission. The legislation was amended and developed. In 1946 further changes were made enlarging the commission. Then at the last session of parliament the name of the commission charged with the responsibility of developing the national capital was changed to the national capital commission. That legislation had been proposed by the former government and was adopted and brought forward by the present government and enacted at the last session.

By the very nature of the work of developing the national capital and particularly by reason of the fact that jurisdiction over real estate resides in the provinces and through them to a limited extent in their statutory creations, the municipalities, it is necessary that the work be done in full co-operation between the federal, provincial and municipal governments. With all the difficulties inherent in the problem a high degree of co-operation has been developed over the years and fair success achieved in the field of co-operation.

One of the big contributing factors to that co-operation was the knowledge the municipal bodies particularly affected gained through the membership their representatives had on the commission, and in particular is that true of the city of Ottawa and the city of Hull. It is a matter of history that the mayors of Ottawa and Hull were on the commission by virtue of a clause permitting the corporations to make those appointments. When the new commission was appointed some few days ago the representatives of these two corporations and of the two large townships on the Ontario side were omitted. None of them was appointed.

Not only were they omitted but the appointments were made and announced in a way that can only lead to a loss of co-operation between the bodies concerned with the national capital development. Instead of the announcement being made in the House of Commons with the appropriate explanation as to the reason, if any, for not appointing the mayors of the two cities and any other appropriate municipal officials, it was made through the newspapers without any explanation whatever. The launching of the national capital commission in this way only means that the new commission, which I am sure everyone in the house wishes well, is being handicapped. I am sure it is the hope of everyone in the house that their work will be successful over the years ahead.

I would ask the Prime Minister (Mr. Diefenbaker) to consider this matter carefully, to do what he can to rectify the situation and take advantage of the first available opportunity to correct the damage done. The situation of the mayor of the national capital itself having to read in the newspapers that his services are dispensed with is not a happy one when it is necessary that the federal government and the mayor of the national capital must co-operate with respect to so many of the plans of the commission.

The same thing is true of the situation concerning the mayor of the adjacent city of Hull. Indeed, it is also true, as I think the hon. member for Carleton (Mr. Bell) will agree, with respect to the reeves of the townships of Nepean and Gloucester. I do not want to belabour the subject unduly but I feel that I would almost be justified in using the word "clumsiness" to describe the manner in which the matter was handled. I ask the Prime Minister to rectify the situation at the earliest possible opportunity, to explain at least why the extraordinary action he took was taken and to take any other appropriate measures to bring about the degree of co-operation required so that the national capital can be developed in the way that I am sure members of all parties represented in parliament wish it to be developed.

Mr. Herridge: Mr. Speaker, like the previous speaker I do not wish—

Mr. Speaker: Order. Does the hon. member for Hull wish to speak on the same matter?

Mr. Alexis Caron (Hull): The same matter.

(Translation):

Mr. Speaker, following the hon. member for Ottawa East (Mr. McIlraith), I feel it is my duty to tell the house something of the views of the people who live on the Quebec side of the national capital. We all know that, originally, the idea behind the setting up of a national capital was, above all, to set up something patterned after the district of Columbia. I know that Sir Wilfrid Laurier often referred to "the Washington of the North" and that Mr. Mackenzie King, for some time, was of the opinion that we should make of our capital a district similar to that of Columbia.

We also know that Mr. Greber proved to him, beyond all doubts, that the district of Columbia, U.S.A., had been a complete failure.

When a district is being set up on the pattern of the district of Columbia, the commission responsible for its administration has to make decisions that can involve considerable expenditures. The commission then pays half the cost, but the other half falls upon the shoulders of the people, with the result that taxes go up considerably.

That is one of the reasons which impel us to ask the national capital commission to include among its members representatives of the municipal councils of Hull and Ottawa, those obviously most directly concerned.

At present, mayors from outside localities are sitting on the commission. It also includes an alderman from the city of Aylmer. I agree that they were not appointed as such, but they none the less represent their municipalities while the mayors of Hull and Ottawa were completely ignored. The commission has serious decisions to make, and those decisions might often be such as to hamper certain municipal projects. I shall give but one example. In the past, one of the main purposes of the federal district commission was the removal of the Eddy plants from the city of Hull. It was claimed at the time that it was a disgrace to see paper plants surrounded by woodpiles just across the river from parliament hill. There were even offers made to this firm, and they were objected to by the representatives of the municipalities in the federal district commission. We are all for beautification, esthetics, as I have said before and as I repeat now, but we are first and foremost for letting people keep their livelihood. Many such problems can arise, and I know of no one who is more interested in preventing such situations from developing than the representatives of the municipalities on the commission.

We all know also that the commission meets in camera and that its decisions are made known by means of press releases issued by the chairman. A press conference enables the chairman to say what he sees fit; he does not have to report everything that is discussed. Therefore, the municipalities have no way of knowing what goes on and so anything can happen within the commission without the municipalities being aware of them.

It is therefore necessary that municipalities be represented on the commission. They were in fact represented under the previous act, and they were not represented by the mayors of Ottawa or Hull but by people appointed by the municipal councils concerned. In each case the municipal councils appointed their mayor to represent them on the federal district commission. The mayors were thus able to look after the interests of their respective municipalities. Far from enjoying the same privilege under the new act, the municipalities of Hull and Ottawa lost their representation on the commission.

The former act provided for the appointment of representatives for the city of Hull; there was also a representative for the district of Hull, the last of whom was Mrs. Fontaine, and before that, Mr. J. Wilfrid Ste. Marie, barrister.

This means that we then had two representatives on the commission. Besides, there were on the national capital planning committee an alderman from the city of Hull and an alderman or a controller from the city of Ottawa. Under the old act, we had three representatives. Now, the city of Hull, which is enormously interested, has only one representative, Mr. Aime Guertin. I have confidence in Mr. Guertin and I would say nothing to disparage him. He has proved in the past that he was of sufficiently independent mind to stand up to all those who would try to contradict his views. I do not say that I have always agreed with Mr. Guertin on federal district matters, but I do say that he will be a worthy representative of the city of Hull. However, Mr. Guertin is not on the municipal council; he will represent the city of Hull in general, but he cannot represent the interests of the municipality, as could be done by the mayor or a member of the municipal council.

And again, why were not the mayors appointed to the commission? Many reasons have been given, including the matter of efficiency.

According to *Le Droit* of January 26 last, the mayors of Hull and Ottawa made strong protests against this change in the provisions. Here is what Mr. Nelms said:

> I still wonder what could be the reason for the federal government's decision stated Mr. Nelms. The mayor of Hull, like the mayor of Ottawa, has always played a leading role on the F.D.C. There are so many problems that require solution at federal and at municipal levels.
>
> When I know mayor Moncion's views and when I get additional information, I shall make a statement to the press, probably at the meeting of the board of control tomorrow afternoon.
>
> For the time being, I wish, as mayor of the capital city of Canada, to express my painful surprise. If any two men are in a position to help the federal agency are they not the mayors of Hull and Ottawa?

This morning, the office of the Prime Minister stated that the omission of mayors of Ottawa and Hull from membership in the new National Capital Commission was due to a practical reason.

Well, Mr. Speaker, what is that practical reason? Did the representatives of those cities do anything in the past that could hinder the progress of the national capital plan? I do not believe so.

When I was mayor of the city of Hull, I had the opportunity to sit on the commission and I realized, while we were there, that the federal district commission has enjoyed the fullest co-operation from the municipal authorities on both sides of the river. Nevertheless, the mayors of Hull and Ottawa are now being removed from this agency without any explanation. Could it be that a few backward persons still entertain the idea of developing a national capital along the lines of the district of Columbia? If so, they can be assured that this will never happen, and we, on both sides of the river will fight it tooth and nail, as we intend to retain our autonomy and independence, and we have no intention of knuckling down to a small group who are seeking to create jobs for themselves in the national capital.

(Text):

Mr. Bell (Carleton): Don't be so silly.

Mr. Caron: I do not know what the hon. member for Carleton calls silly, but I know that he has changed his mind since he has been sitting with the Conservative party in the government. Previously he criticized the federal district commission with regard to the green belt and with regard to everything. But since he has been over there on the government side he has praised the commission for everything they have done in the past and he is willing to praise the commission for anything they will do in the future because he is sitting with the government.

Mr. Bell (Carleton): And he is still one of the most outspoken members of this house on national capital matters.

(Translation):

Mr. Caron: In spite of the opinions of the member for Carleton (Mr. Bell), which can change according to circumstances, because they are those of a blind partisan, I say that possibly there are still some people who intend to develop a national capital patterned after the district of Columbia, but we will keep opposing such a project. I do not claim that the present Prime Minister (Mr. Diefenbaker) is in favour of such a project, no. But the Prime Minister is not eternal. There have been other prime ministers in the past who favoured such a project; so I claim that we must put all the weight of our opinion against such a project, and the best way to protect ourselves against those who share that view is to have representatives for Hull and for Ottawa.

Besides, the Prime Minister could remedy the situation; first of all, there are other appointments to be made. He could also simply amend the act, in such a way to provide that each year both the Ottawa and Hull municipal councils could appoint one of their representatives to the national capital commission, in order that the municipal interests of both cities be well protected.

The problems to be faced will be numerous. There is the matter of water pollution, which could be very costly, not to mention the problems of sewers from upper Aylmer to beyond the Gatineau.

So then, if the commission is given a free rein, we might very well be forced to shoulder the burden of heavier taxes. And yet, heaven knows that the people of our municipalities are sufficiently burdened with taxes. According to the *Citizen*, it has been stated by some one that the reason why the mayors of Hull and Ottawa were ignored was the fact that there had been some discontent in regard to Miss Whitton's attitude, when she was mayoress of Ottawa, and that it was claimed she had caused the commission to waste its time.

Well, even if it were true, so—and I admit she caused the commission to waste a few hours—she was nonetheless the representative of the city of Ottawa, delegated by the city council, and therefore represented the views of the people of Ottawa, and, as such, was entitled to some respect. In any event, the way things look now, it is unlikely that she will return as mayoress of Ottawa, and therefore there is no danger on that score.

Mayor Nelms and mayor Moncion, were competent representatives who gave their best to the national capital and at the same time to the people of the municipalities they represented. That is why I feel the Prime Minister made a mistake in failing to appoint the representatives of Hull and Ottawa. As was stated by the member for Ottawa West (Mr. McIlraith), I hope he will reconsider and correct the monumental mistake he committed in ignoring the municipalities of Hull and Ottawa.

(Text):

Mr. Speaker: Does the hon. member for Pontiac-Temiscamingue (Mr. Martineau) wish to speak on the same subject?

(Translation):

Mr. Paul Martineau (Pontiac-Temiscamingue): I do not claim to be privy to all that concerns the make-up of the national capital commission. However, after hearing the speeches of the hon. member for Ottawa West (Mr. McIlraith) and of my colleague, the hon. member for Hull (Mr. Caron), I must rise to make a few remarks on this controversy about the appointment of the mayors of Hull and Ottawa on this commission.

It has been said there might be practical objections, and indeed I can quite clearly see the nature of those objections. I have no wish at all to deny the qualifications of the mayor of Ottawa, Mr. Nelms, or of the mayor of Hull, Mr. Moncion, to sit on this commission. Both are well known, and, in this regard, I join with my colleague, the member for Hull, in praising their high abilities. Yet there is a well-known judicial principle under which a person having some interest in a particular problem should not be a member of a commission responsible for making decisions on the problem. In other words, a judge who might be interested in a dispute must disclaim competence, just as a company director who personally stands to profit from a decision of the board of directors must refrain from voting.

As the member for Hull has just said, there will be many cases where there might be a conflict of interests between the national capital commission and the cities of Hull or Ottawa. As things stand, the mayor of Ottawa or the mayor of Hull can certainly be more outspoken in expressing the views and interests of their electors and municipalities, because they will not have, as we say, to sit on the fence, since neither is a member of the commission.

For that particular reason, I believe it was very wise not to appoint the mayors of these two cities on the commission. On the other hand, another point was raised which should be considered and it is this: as the country expands, the people of Canada consider Ottawa, the capital, as something that belongs to the country as a whole. An effort is being made to get rid of the idea that Ottawa and Hull together are the capital. Nothing prevents the mayors of those cities from making representations to the commission, as was done in the past by the mayors of other municipalities. Therefore when these people have to deal with the cities of Ottawa and Hull they will be able to do so freely while the representatives of those two cities will be in a much better position to express their opinion.

All in all, I think that the decision is a wise one.

Reference was made to the representative of the Quebec side of the national capital, Mr. Guertin. I am happy to associate with my colleague the hon. member for Hull in praising the high efficiency of this member. Yet I must say that there is also on that commission another member representing the western part of the province, Mr. Nelson Morin, of Aylmer, whose ability is also well known and who will no doubt be able to speak on behalf of the important section of western Quebec, part of which is situated in the constituency of Pontiac, which is part of the national capital.

It could be that some day certain industries like the E. B. Eddy Company might have to move out of Hull. That will certainly happen only in a more or less distant future. Nevertheless I would like to take this opportunity, in case a relocation of that industry was ever decided, to invite the directors to come and set up their plant in my constituency of Pontiac which is not that far away and which provides a great part of the natural resources used by that company.

All in all, I believe that the members of that commission have been quite wisely chosen. This was not meant to reflect at all on the qualities of the prominent citizens who have been elected to run the affairs of Hull and Ottawa. I believe though that the taxpayers of these two cities have chosen these people to look after their interests but not in the hope that they would be appointed on the national capital commission. If they restrict their energy to the welfare of the citizens of these two important cities, they will certainly be in a position to realize the dreams which the member for Hull (Mr. Caron) might entertain for the future. In fact I believe that if it was ever considered to replace the present administration of the cities of Hull and Ottawa by a federal district like that of Washington in the United States, for example, then the mayors of those two cities would no doubt be in a better position to fight such a plan since they would be uncommitted to the commission, having only to look after the interests of those under their authority.

(Text):

Mr. Speaker: Does the hon. member for Gatineau (Mr. Leduc) wish to speak on the same subject?

(Translation):

Mr. Rodolphe Leduc (Gatineau): Mr. Speaker, at the very outset of my remarks, I must say I disagree with the views expressed by the hon. member for Pontiac-Temiscamingue (Mr. Martineau). Rather do I agree with the hon. member for Ottawa West (Mr. McIlraith) and the hon. member for Hull (Mr. Caron). Like them, I find it strange that the government, in appointing the new members of the national capital commission, should have by-passed the mayors of Hull and Ottawa. The development of the national capital includes the city of Ottawa and the city of Hull, as well as an area around those two cities, of which the constituency of Gatineau, which I have the honour to represent, forms a large part. In view of the fact that the cities of Ottawa and Hull have no official delegates on this commission, the latter is deprived of the services and advice which those men would be in a position to provide.

As regards the appointment of Mr. Morin, of Aylmer, to represent the municipalities adjacent to Hull, in the province of Quebec, I feel the choice is sound. Mr. Morin is fully qualified to properly represent that part of the province of Quebec comprised in the national capital development plan. However, it is strange that the recommendations made by the municipal councils, and more especially by the union of the chambers of commerce of western Quebec, to the right hon. Prime Minister (Mr. Diefenbaker), concerning the appointment of Dr. Matte, to represent that part of the province of Quebec on the commission, should have been ignored.

If I have expressed regret that the government has not appointed the mayors of Ottawa and Hull, nor Dr. Matte, I cannot but approve, on the other hand, the attitude taken by the government in regard to the establishment of a green belt around the national capital. I know that the hon. member for Carleton (Mr. Bell) does not share my views on this matter. I also know that the new representative of Hull, Mr. Guertin, has never shared my views on the proposed green belt. However, I share the opinion of the government that a limit should be set once and for all to the area covered by the city of Ottawa, or by the national capital. And I commend the government for its policy of expropriating the land required to develop a green belt around the city of Ottawa. This is of benefit not only to the city of Ottawa, but to all of Canada, since the responsibility of the government in this field will thus be limited. Without this limitation, the Canadian government would have to spend tremendous amounts for developing and beautifying the capital city, whereas with a green belt its expenses will be limited to that part of the capital city that is included in the green belt.

I am pleased to note that the Minister of Finance (Mr. Fleming) has increased the grants for improving the national capital.

May I add that the government and the national capital commission should take steps to complete the development of Gatineau park in the near future. It can be said, Mr. Speaker, that Gatineau park will be the only national park in the province of Quebec. For my constituency and for the constituency of my hon. friend from Pontiac-Temiscamingue, as well as for the constituencies of the western part of the province of Quebec, Gatineau park will be a great tourist attraction.

Mr. Speaker, once this park is completely developed, the Canadian government travel bureau can invite American as well as Canadian tourists to visit it, and they will find everything they can hope for: hunting, fishing, scenery and natural beauty.

Those who want to indulge in their favourite sports of hunting or fishing, will find in the park employees who can give them information, and say to them for example: Hunting is not allowed in the park, and fishing is restricted. Move on to Gatineau, to Pontiac or the Lievre, and there you will find everything you want to suit your interests.

(Text):

Mr. Speaker: If the hon. member will permit me to interrupt him, may I say that he may be enjoying himself in describing the beauties of the Gatineau park but he seems to have departed from the grievance which was mentioned by the hon. member for Ottawa West (Mr. McIlraith). There are other members who have grievances on which they wish to speak, and I invite the hon. member to return to the subject if he has not finished.

Mr. J. T. Richard (Ottawa East): Mr. Speaker, it is not my intention to say a great deal at this time, but I support the contention that at the present time at least there should be a nominee of both the city of Hull and the city of Ottawa on the national capital commission. The commission which was named is entirely new; only the chairman, Mr. Kennedy, who has, of course, to serve for only two more years, has had any experience of the operations of the commission. The

mayors of the cities of Ottawa and Hull, Mr. Moncion and Mr. Nelms, or their representatives, have this experience and the knowledge which would help the other members of the commission.

Furthermore, I am of the opinion that it will not be easy to transact the business of the commission without the help of nominees from these two cities. After all, decisions of the commission involve great expenditure on the part of both cities. At the present time, particularly, when we are talking of spending between $35 million and $40 million to solve the problem of water pollution; when we are talking about bridges, a matter which involves expenditure by the city of Ottawa; and when we are talking about the Queensway which involves huge sums of money, I think the councils should be represented on the national capital commission.

In the light of past experience I think there is little fear of undue influence being asserted by any one member of the commission, even if that member should be the mayor of the capital city.

KETTLE VALLEY RAILWAY—REPORTED INADEQUATE PASSENGER SERVICE

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I hope I am as successful in ringing as a big bell with my grievance as the hon. member for Hull (Mr. Caron) was when he was speaking. I might explain that some hon. members may consider me to be somewhat repetitious in stating this grievance and they may have a dim recollection that I have mentioned the matter in the past. I am presenting this grievance because it is based on sound grounds and the protests of my constituents and because I have been asked to raise the matter in this house on every appropriate occasion.

My grievance concerns the completely inadequate passenger train service on the Kettle Valley railway and the lack of adequate facilities. As I said before I have mentioned this on other occasions but it is a serious matter to those persons who live along the Kettle Valley railway which runs from Hope in British Columbia to Lethbridge in Alberta. This grievance was the result of the action of the Canadian Pacific Railway in October 1957 which prior to that time ran a passenger train with sleeping and dining cars and adequate day coaches. When the company changed this service it substituted a Budd car and the service now provides no sleeper or cafe car. The action on the part of the company was seriously resented by the people who live along that railway. Later there were further reasons for complaint because of a reduction in the schedules on which this Budd car ran owing, as the C.P.R. explained, to some temporary unfortunate local circumstances in my and adjoining constituencies. These did prove to be temporary because the difficulties have not been experienced for some months now.

I do hope I get the sympathy of the house in this connection. Here is a district in which live about 100,000 people who are affected by this change in service, an area which has an annual production of over $200 million in the forest industry, in manufacturing, in smelters and in agriculture. This populous and highly productive area is now forced to depend on the uncertain and unpleasant service of a Budd car which runs every other day or so and which provides no sleeping accommodation or cafe car.

Protests with regard to this matter have been well organized. All the municipalities have protested this present service by resolutions, by briefs and by their representatives meeting with the Minister of Transport (Mr. Hees) when he was in the Kootenay district during the last election trying his level best to make certain that I would not return to this house. All the unions and the chambers of commerce have protested the present arrangement and in speaking on this question I represent the views of all political parties in my constituency and I am sure all those in the adjoining constituencies.

The people in this area are not asking for expensive service. It is important to remember that the Kettle Valley railway is one of the most profitable sections of the C.P.R. because it hauls the ore of the Consolidated Mining and Smelting Company from Kimberley to Trail—thousands of tons daily—and it hauls thousands of tons of the products of consolidated mining to coastal points, or south to points in the United States, or to prairie and eastern Canadian points. As a result of this large tonnage the C.P.R. is able to operate this section of the railway at a profit but it has reduced the passenger service. It is interesting to remember that the service has been reduced in the area which produces the majority of the profits that the C.P.R. enjoys at the present time because the C.P.R. owns 51 per cent of the Consolidated Mining and Smelting Company.

As I said before, the people in this area seek only to be provided with a Budd car, sleeping accommodation and a cafe car so that the aged will have some reasonable comfort, the sick may be attended to and the people travelling with children may do so in decency and with a measure of comfort.

At the present time freight trains are running regularly along the line hauling

thousands of tons of ore, manufactured goods, fertilizers, chemicals and things of that sort. We in the area appreciate that the cost of patrols are heavy. There are patrols on the railway and lights on bridges in order to protect the raildoad against possible bombings and other forms of aggression.

I should now like to outline why the provision of this service is of particular importance to our district. The railway service is important the year round but it is particularly vital during the winter months. Owing to the nature of that part of the country planes often fail to land at some of the inland airports such as Castlegar. They are not allowed to land if the clouds lie below the tops of the mountains and therefore this winter, day after day, Canadian Pacific Air Lines planes have been unable to land at Castlegar. There has been no transportation into that district, no airmail, no opportunity to get the sick to the coast in a hurry or to fly out accident victims and others in need of medical care. This passenger service is essential at all times but particularly during the winter months.

The C.P.R. will say that the traffic has greatly decreased in recent years and so it has particularly since the Budd car has been put on the line. There is no reason why anyone would choose to travel in discomfort if they could arrange to travel in any other way. Those who travel from Vancouver to Fernie are faced with the prospect of sitting up in a day coach for 36 or 40 hours existing on dry sandwiches and lukewarm coffee. That is not proper in this present age. Because of the existing service the former somewhat limited traffic has been reduced. I am informed by representatives of municipalities, chambers of commerce and other organizations that if this train service were improved and operated daily with a Budd car plus a sleeping car and a cafe car there would be a great increase in the patronage of this train.

I am speaking only briefly at this time because I know many other hon. members have grievances to bring to the attention of the house. As I said, I have raised this grievance before and I promised my constituents that I would continue to mention it until this disgraceful state of affairs has been remedied. I urge the minister to do all he can as a step in the right direction toward calling a meeting between the officials of the company, representatives of the employees and representatives of people in the district to find out exactly what they wish so that the company will realize that the requests of the people in the area are reasonable and modest. They are not asking for something that is going to cost the company a great deal of extra expense. As a result of this get-together on the part of the various groups concerned they should be able to devise and arrange for a satisfactory service. Because of the extra costs of patrolling the tracks and the provision of lights there may be some consideration given in those discussions to assisting the company to cover the cost which would be relatively small compared to the operation of the railroad in toto between the points I have mentioned.

I bring this to the attention of the house at this time and seek the support of hon. members from all parties who may come from British Columbia to get this most unfortunate and unnecessary imposition on the people of the southern interior remedied as soon as possible.

REQUEST FOR EDUCATIONAL PROGRAM FOR LOBSTER FISHERMEN

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I have a matter which I should like to bring to the attention of the house the subject of which is altogether different from the subjects of the grievances which have been discussed this evening. On many occasions since becoming a member of this house I have brought to the attention of the Department of Fisheries the unfortunate situation that exists with respect to illegal lobster fishing in the Atlantic provinces.

While speaking in the debate on the address in reply to the speech from the throne I touched on this subject. On that occasion I mentioned that I was taking no exception to a certain statement made by the Minister of Fisheries (Mr. MacLean) to the effect that he and his department would prosecute—to use the minister's own words— "as vigorously as the law requires anyone catching or canning lobsters illegally." On that occasion I also mentioned that it would be advisable for the department to spend more time on and to pay more attention to the education of the fishermen and more particularly of the lobster fishermen.

I realize that on the last occasion when I brought this subject before the house my remarks were misunderstood. I am not taking the part of the poachers. I am not one of those members who has been after the minister or his department every time that a poacher in my constituency was caught or arrested for breaking the lobster fishery regulations. But I feel, Mr. Speaker, that the Department of Fisheries should give some consideration to the education of the lobster fishermen. I have placed this request before the department at every session since 1953. If the department would realize that by establishing a system of education for the

fishermen, by showing them that when they destroy small lobsters or berried lobsters they are working against their own interests, I am convinced that the activities of the protection branch of the department in so far as preventing illegal lobster fishing is concerned would be much more effective.

A program should be instituted through public meetings, through the showing of films, through the public schools in the area where lobster fishing operations take place. When I brought this point to the attention of the house during the course of the debate on the address in reply to the speech from the throne I mentioned that there was a danger for the department and for the officers of the department in using the methods which they are using at this time. In saying this, Mr. Speaker, I am not casting any reflection whatsoever on the inspector of fisheries or on the different protection officers who have to enforce the lobster fishing regulations. These men receive instructions from the department and they carry out those instructions to the best of their ability. I know it is a difficult job for the fisheries inspector, for the captain and the crew of a patrol boat to be exposed at all hours of the day—some of them are working at times even 24 hours a day—and carry out the instructions which they have received from the department or from their superior officers.

If the department would realize once and for all that what is needed is a good, well-prepared educational program I am positive that the work of the officers and the department would be much easier and they would get much better results than they are getting now.

Again, I want to emphasize that I have great respect and admiration for those officers of the Department of Fisheries, and particularly for those who are engaged in the enforcement of the fishery regulations. I know that just recently certain officials of the department in the maritime provinces gave certain information to the newspapers which was directly in reply to the remarks which I had made in this house during the course of the debate on the address in reply to the speech from the throne. They said that the Department of Fisheries had done everything possible to try to educate the lobster fishermen. They mentioned that meetings had been held; that pamphlets had been circulated; that films had been prepared; that even the help of the clergy had been requested in certain areas. Mr. Speaker, I want to state that the activities of the Department of Fisheries in this field have been limited and too limited to produce any satisfactory results.

I remember that in 1954 or 1955 the officials of the department did hold a few public meetings in the province of New Brunswick in the counties of Kent and Northumberland and in my own constituency of Gloucester. But why did the department not carry on with this program? Why did they not keep on with those meetings? Why did they stop this educational program which they had started, because when they were carrying on this program they were on the right track? Just a few meetings had been held and I realize that the results may not have been within expectations.

I suggest that if the Department of Fisheries feels that it does not have the personnel —and I fully realize the fisheries officers, whether of the inspection or protection branch, may not be the right type of men to institute and to put into practice this educational program—the officials of the Department of Fisheries know and the minister knows that we have in the Atlantic provinces at St. Francis Xavier University what we call the adult education branch and we have a similar plan operating from Sacred Heart University in my own constituency. I have good reason to believe that the extension department of St. Francis Xavier University and the adult education branch of Sacred Heart University would be prepared to accept the challenge of the Department of Fisheries. They would be prepared to take this matter in hand and carry on with this program for the education of the lobster fishermen. They would be prepared to hold meetings in the different centres where lobster fishing is carried on; they would be prepared to meet with the fishermen; they would be prepared to convince them through education that when they are committing offences against the lobster fishery regulations they are working against their own good.

After all, those regulations have been enacted after a careful study by scientists and others of the life of the lobster. We know that in the Atlantic provinces we have different lobster seasons; we have different size limits and those regulations, those size limits and those lobster seasons are there to protect the lobster population. If the department is sincere, and I know it is, I know it wants to do away with this illegal practice, I feel that it would be in the best interests of all concerned to give serious consideration to the establishment of an educational program which would take care of the situation.

Just a few days ago a question of mine on the order paper concerning the lobster fisheries of the maritime provinces was answered. I asked what was the total number of convictions for infractions of the lobster fishery

regulations in New Brunswick, Nova Scotia and Prince Edward Island for the years ended March 31, 1954, 1955, 1956, 1957, and 1958. The reply I received indicates that in 1954, for example, there were 69 convictions in New Brunswick, 150 in Nova Scotia and 215 in Prince Edward Island, and this, Mr. Speaker, in spite of rumours which are circulating that New Brunswick fishermen are the worst offenders. The figures for the years 1955 to 1958 are almost in the same relative proportions.

In order to secure these convictions the fisheries officers have to be on the job, and again I sympathize with them. I sympathize with a man who has to brave storms and rough seas in order to patrol the shoreline and try to carry out his duties. But now that the Minister of Fisheries is in his seat I want to make it clear again that I take no exception to the statement he made last fall and has repeated since that it is the intention of the minister and the department to prosecute as vigorously as the law requires anyone catching or canning lobster illegally. I sympathize with the minister and his officers because I know what these men are up against and I want to make it clear that it is the duty of the department to see that the law is enforced to the limit.

But I would appreciate it, and I know that those interested in the lobster fishing industry would also appreciate it, if the minister would give consideration to an educational program, and when I say "consideration" I mean serious consideration. I feel that if the department could be convinced that it should establish such a program the whole problem would be much easier for the department. Such a program would produce results.

The figures to which I have referred show that since 1954 the situation is getting worse and worse every year. I understand that in the last two seasons the fishing was poor and the fishermen were up against it and had to find a way of getting additional money to provide for their families, but just the same that is no excuse for fishermen to break the law. The law is there for a reason; for the protection of the industry.

Before resuming my seat I ask the minister once again to give this request very serious consideration, and once again I want to make it clear that at no time have I approached the minister or his officials to ask them to protect those who were breaking the law.

HOUSE OF COMMONS—SUGGESTED CHANGE IN METHOD OF VOTING

Mr. John Drysdale (Burnaby-Richmond): Mr. Speaker, I hesitate to rise at this time because I realize that the house is anxious to get on with the vote. However, after watching us spend approximately three-quarters of an hour on standing votes accompanied by the very excellent feat of memory of the second clerk assistant I feel impelled to suggest that in the age of electronics the house should perhaps give consideration to the introduction of an electronic voting system such as is used in the United States at present whereby each member could record his vote by pressing a button and the result would be available in approximately 30 seconds.

I make this suggestion, because in one of the assemblies in the United States having approximately 254 members they are able to make an estimated saving of some 100 hours. In my opinion the time of hon. members is relatively valuable and when we spend almost one hour out of two of an evening sitting in standing up and having our names called I believe I am justified in taking a couple of minutes to suggest that such an electronic machine might merit the consideration of the house.

Mr. Hamilton (Notre Dame de Grace): That is an electrifying suggestion.

(Translation):

ABSENCE OF MINISTER FROM MEETING OF EMPLOYEES

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I call the attention of the house on a new grievance arising from a fairly recent incident, since it occurred last Sunday. We all know that we have trouble trying to settle the C.B.C. French network producers strike. Before the strike went on, we all regretted that the government had done nothing to seek an agreement or to conduct negotiations in order to prevent it.

Last Sunday, 2,000 letter carriers and postal employees, many of whom came from major centres of the country, met in Montreal. Newspapers have also announced that another large meeting called for the same purposes had been held in Winnipeg. I understand that the Postmaster General (Mr. Hamilton) has said this afternoon that he had been invited to the meeting, but due to a previous appointment, was unable to attend. I do not know where he went, but there is no doubt that the invitation he had accepted was more important and was more directly related to his department than the one he received from the mail carriers. Anyway, we know that the Postmaster General, despite the invitation he had received, was

not able to attend that meeting which seemed important, since more than 2,000 mail carriers attended it in Montreal. During this meeting, postal employees complained about the way they were treated, about their salaries, about their working hours, as well as about the way in which examinations are conducted.

Some hon. Members: Ten o'clock.

Mr. Denis: Well, I will take this up again some other time.

(Text):

Mr. Speaker: Order. It being ten o'clock it is my duty, pursuant to section 4 (f) of standing order 56, to interrupt the proceedings and to put forthwith the question on the motion now before the house.

Motion agreed to and the house went into committee, Mr. Rea in the Chair.

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF AGRICULTURE

Administration branch—
1. Departmental administration, including advisory committee on agricultural services, $747,531.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION
48. Departmental administration, $774,401.

DEPARTMENT OF EXTERNAL AFFAIRS

Department and missions abroad—
76. Departmental administration, $6,319,803.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Administration services—
186. Departmental administration, $697,289.

DEPARTMENT OF NATIONAL REVENUE

Customs and excise divisions—
254. General administration, $4,317,418.

DEPARTMENT OF VETERANS AFFAIRS
448. Departmental administration, $2,437,352.

Proceedings reported.

BUSINESS OF THE HOUSE

Mr. Benidickson: Being inexperienced in this respect, Mr. Speaker, I was out of order previously. May I now ask the house leader whether he can confirm that the order of business for tomorrow will be as announced on Friday last and whether he can say what will be taken up on Friday following the housing resolution.

Mr. Green: Tomorrow, Mr. Speaker, we shall commence with the supplementary estimates. Then when they are finished we shall take the resolutions on housing, the Trans-Canada Highway Act, the Northwest Territories Act, the St. Lawrence Seaway Authority Act, the National Defence Act and the Fisheries Improvement Loans Act. I hope we can get all this business through by six o'clock. Probably we shall have the same order on Friday. We may move tomorrow to refer the estimates of the Department of Mines and Technical Surveys to the standing committee on mines, forests and waters and the estimates of the Department of Veterans Affairs to the standing committee on veterans affairs.

Mr. Benidickson: Had the house leader discussed either of those two motions with the house leader for the official opposition?

Mr. Green: Not in detail, Mr. Speaker. If there is any objection to our making that motion tomorrow, we will defer it.

It being five minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

RAIL-HIGHWAY CROSSINGS, OTTAWA AND CARLETON COUNTY

Question No. 62—**Mr. Bell (Carleton):**

1. According to the records of the board of transport commissioners, what is the total number of rail-highway (including streets) crossings within the limits of (a) the city of Ottawa; (b) the county of Carleton, excluding the city of Ottawa?

2. Of these, in (a) the city of Ottawa; (b) the county of Carleton, excluding the city of Ottawa, how many are (i) level crossings; (ii) rail crossings elevated over the highway; (iii) highway crossings elevated over the railway?

3. Of the level crossings in (a) the city of Ottawa; (b) the county of Carleton, excluding the city of Ottawa, how many have protective devices? Classify according to type the number of protective devices existing?

4. How many of these protective devices have been installed since the year 1935?

5. Of the elevated crossings in (a) the city of Ottawa; (b) the county of Carleton, excluding the city of Ottawa, how many have been constructed since the year 1935?

6. Where is each such elevated crossing so constructed since 1935 located; when was each constructed and at what cost; among whom was the cost of each divided and in what shares or amounts;

7. Since the year 1935, in (a) the city of Ottawa; (b) the county of Carleton, excluding the city of Ottawa, how many level crossings have been abandoned (i) through removal of the railway; (ii) closing of the highway or street by a municipal or other authority?

8. Are there any pending applications before the board of transport commissioners for (i) installation of protective devices; (ii) for construction of elevated crossings (a) in the city of Ottawa; (b) in the county of Carleton, excluding the city of Ottawa?

9. If so, to what crossings do such applications relate and how is it anticipated each will be dealt with by the board?

10. How many level crossings are there between a railway and a driveway, parkway or other road maintained by the federal district commission (a) in the city of Ottawa; (b) in the national capital area within Ontario, excluding the city of Ottawa; (c) in the national capital area within Quebec?

Answer by: **Hon. George H. Hees (Minister of Transport):**

	Questions
1. (a) City of Ottawa	109
(b) County of Carleton	123
2. (a) City of Ottawa	
(i) Level crossings	90
(ii) Subways	7
(iii) Overhead bridges	12
(b) County of Carleton	
(i) Level crossings	113
(ii) Subways	9
(iii) Overhead bridges	1
3. (a) City of Ottawa	30
Wig-wags and bell	6
Flashers and bell	16
Bell	1
Manual flagging	4
Gates, manually operated	3
(b) County of Carleton	9
Wig-wags and bell	2
Flashers and bell	7

4. 21.

5. (a) 3, (b) 1.

6. Overhead bridge on Metcalfe road, in lot 2, con. 3, Rideau front, city of Ottawa, Ont. Project was authorized by board's order No. 77732 dated November 14, 1951 without grant from the railway grade crossing fund and actual cost of construction is unknown. All costs of construction were borne by the federal district commission.

Overhead bridge on Russell road, in lot 1, con. 6, Rideau front, in the city of Ottawa, Ont. Project was authorized by board's order No. 77731 dated November 14, 1951 without grant from the railway grade crossing fund and actual cost of construction is unknown. All costs of construction were borne by the federal district commission.

Overhead bridge over the Canadian National Railways east of the Rideau canal (known as Mackenzie King bridge) in the city of Ottawa, Ont. Project was authorized by board's order No. 74349 dated April 25, 1950 without grant from the railway grade crossing fund and actual cost of construction is unknown. All costs of construction were borne by the federal district commission.

Overhead bridge over the Canadian Pacific Railway in lot 2, con. 10, township of Goulburn, Ont., mile 22.57 Carleton Place subdivision. Project was authorized by board's order No. 85161 dated December 13, 1954 without grant from the railway grade crossing fund and actual cost of construction is unknown. All costs of construction were borne by the department of highway of Ontario.

7. (a) (i) City of Ottawa	20
(b) (i) County of Carleton	4
(a) (ii) No information	
(b) (ii) No information	
8. (i) City of Ottawa	Nil
County of Carleton	Nil
(ii) City of Ottawa	Nil
County of Carleton	Nil

9. See answer to No. 8.

10. (a) 2, (b) Nil, (c) 1.

Questions

TRANS-CANADA HIGHWAY

Question No. 81—**Mr. Argue:**

1. What sections of the trans-Canada highway have been completed in each province?
2. What was the total cost of the completed sections of the trans-Canada highway in each province?
3. What was the federal contribution towards the total cost of the completed sections in each province?
4. What mileage in each province remains to be completed?
5. What percentage of the total mileage in each province is this?
6. Of this, what mileage in each province is now under construction?

Answer by: **Hon. Howard C. Green (Minister of Public Works):**

1. The mileage paved on the trans-Canada highway in each province is as follows:

Province	Paved under T.C.H. agreement	Paved prior to December 10, 1949	Total
Newfoundland	34	17	51
Prince Edward Island	70	—	70
Nova Scotia	26	195	221
New Brunswick	94	232	326
Ontario	535	443	978
Manitoba	289	4	293
Saskatchewan	406	—	406
Alberta	276	—	276
British Columbia	291	67	358
TOTAL	2,021	958	2,979

2 and 3.—The shareable cost of work will only become available when the province has submitted all claims covering cost of construction of the highway. The trans-Canada highway agreements provide for the submission of claims up to March 15, 1961. The total estimated cost of work approved to date and payments made by Canada on account thereof is as follows:

Province	Estimated Cost of Work Approved	Estimated Amount of Canada's Share	Payments by Canada
Newfoundland	$ 30,555,179.80	$ 18,880,828.47	$ 11,822,580.89
Prince Edward Island	8,477,741.02	5,348,733.62	3,807,646.67
Nova Scotia	18,596,567.20	13,243,283.60	5,921,098.41
New Brunswick	38,381,047.28	26,656,367.00	17,991,470.91
Ontario	151,521,471.94	88,436,310.95	47,321,930.26
Manitoba	31,357,921.15	17,308,438.82	13,818,684.49
Saskatchewan	27,759,207.27	15,864,748.65	15,219,691.13
Alberta	35,487,930.14	20,832,455.47	18,517,644.44
British Columbia	118,255,668.69	70,014,872.54	48,804,215.73
TOTAL	$460,392,734.49	$276,586,039.12	$183,224,962.93

4. Province	Mileage to be completed
Newfoundland	503
Prince Edward Island	1
Nova Scotia	90
New Brunswick	64
Ontario	458
Manitoba	16
Saskatchewan	—
Alberta	6
British Columbia	210
Total	1,348

5. Province	Percentage of Mileage to be completed
Newfoundland	91
Prince Edward Island	1
Nova Scotia	28
New Brunswick	16
Ontario	32
Manitoba	5
Saskatchewan	—
Alberta	2
British Columbia	37

6. Province	Mileage Now under Construction
Newfoundland	332
Prince Edward Island	1
Nova Scotia	90
New Brunswick	64
Ontario	310
Manitoba	16
Saskatchewan	—
Alberta	2
British Columbia	179
Total	994

RAILWAY CROSSING SIGNALS, ST. JEAN, QUE.

Question No. 88—**Mr. Dupuis:**

1. Has a resolution been received from the city of St. Jean, Quebec, asking for the installation of signs or signals at certain railway crossings within the city limits?

2. If so, on what date and what points were referred to in the resolution?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. No.

2. See answer No. 1.

FERRY SERVICE, MOHR'S LANDING—QUYON, QUE.

Question No. 89—**Mr. Bell (Carleton):**

1. Have any amounts been expended on improvements to the ferry service between Mohr's Landing and Quyon, Quebec, during the present and each of the past two fiscal years?

2. If so, what is the nature of the improvements which have been made, and what amount was expended for each?

Answer by: **Hon. Howard C. Green (Minister of Public Works):**

1. Yes.

2. The nature of the improvements and the amounts expended are as follows:

Location	Year	Nature of Work	Amounts Expended
Mohr's Landing	1956-57	Construction of wharf	$9,866.08
	1957-58	Construction of adjustable ramp	2,117.37
		Timber sheet piling in front of wharf	2,783.96
	1958-59 to date	To complete driving of piles	730.89
		To complete adjustable ramp	838.92
		Installation of light on landing head	346.95
Quyon, Quebec	1956-57	Construction of wharf	5,145.98
	1957-58	Construction of adjustable ramp	1,649.18
		Installation of light on landing head	259.75
		Wharf repairs	2,377.00

LOBSTER REGULATIONS, ATLANTIC PROVINCES—FINES

Question No. 104—**Mr. Robichaud:**

What was the total amount of fines collected from convictions against lobster fishery regulations in New Brunswick, Nova Scotia and Prince Edward Island, for the years ending March 31, 1954, 1955, 1956, 1957 and 1958?

Answer by: **Hon. J. A. MacLean (Minister of Fisheries):**

Year Ending	N.B.	N.S.	P.E.I.	Total
Mar. 31, 1954	$ 1,616.00	$ 1,990.00	$ 2,849.00	$ 6,455.00
Mar. 31, 1955	1,669.00	2,977.00	3,637.00	8,283.00
Mar. 31, 1956	1,835.00	3,295.00	1,248.00	6,378.00
Mar. 31, 1957	3,023.00	3,496.00	1,288.00	7,807.00
Mar. 31, 1958	1,893.00	4,017.50	1,898.00	7,808.50
	$10,036.00	$15,775.50	$10,920.00	$36,731.50

HOUSE OF COMMONS

Wednesday, February 11, 1959

The house met at 2.30 p.m.

ST. LAWRENCE SEAWAY

STATEMENT RESPECTING ARRANGEMENTS FOR OPENING CEREMONIES

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, with the leave of the house I should like to make a statement concerning the ceremonies arranged for the opening of the St. Lawrence seaway. You will recall that some days ago a question was asked concerning these ceremonies. At that time I stated that as soon as arrangements had been made between the Canadian and United States governments an announcement would be made. Today an announcement similar to the one I am about to make will emanate from the White House in Washington.

President Eisenhower has accepted an invitation to come to Canada to join Her Majesty the Queen in these ceremonies. He will arrive on June 26. The ceremonies will take place at the St. Lambert lock near Montreal. The President of the United States and Mrs. Eisenhower will fly from Washington to Montreal on the morning of June 26 and will join Her Majesty and Prince Philip on the royal yacht *Britannia* for the purpose of jointly contributing to the opening ceremonies. The details of the program are being worked out by officials of the Canadian and United States governments. After the opening ceremonies at Montreal the royal yacht will proceed through the lock and thence to the great lakes.

Hon. Lionel Chevrier (Laurier): May I tell the Prime Minister that this is very welcome news indeed. I hasten to extend to him and to the government our congratulations upon the success which has been experienced in getting the President of the United States to join Her Majesty the Queen in recognizing the national as well as the international aspect of the St. Lawrence seaway, namely in its opening in the city of Montreal, where it enters into the province of Quebec, and then its continuation in the international section both in the state of New York and in the province of Ontario.

I think all of us will welcome the announcement. I am delighted at it personally, as I am sure will be the citizens of Montreal as well as those who live in the international section. I cannot tell the Prime Minister how happy I am at this decision.

Mr. Hazen Argue (Assiniboia): The announcement made today demonstrates that it is possible for Canada and the United States to work together for the good of both countries on a major economic project. It is indeed a happy occasion for Canada that Her Majesty, along with President Eisenhower of the United States, should be coming to officiate at the opening of this very important undertaking.

I think this must also be a particularly happy occasion for the hon. member for Laurier who himself played such an important role in initiating this major undertaking and supervising the work for a number of years. I express the hope that the plans for a joint parliamentary delegation to meet about that time will have the same successful results as the announcement indicates today in another way.

Mr. Diefenbaker: I thank the hon. member for Laurier and the hon. member for Assiniboia for their words. On this occasion, when the House of Commons is so much in agreement, I should like, if I may, to bring one further matter to the attention of hon. members and the country. That is that Her Majesty, having regard to the tremendous nature of this project and the desirability of honouring those who made a contribution thereto, those often remaining anonymous, has graciously suggested that as a mark of recognition a book be compiled containing the names of all workmen and others who were employed on the construction of this project or who contributed to the building of the seaway, extending honour to them individually and at the same time recognizing the dignity and the responsibility of those who in their daily toil make such a contribution to our country and the preservation of our way of life.

FINANCE

TEXTILES—TABLING OF TARIFF BOARD REPORT ON COTTONS

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I should like to table copies in English and in French of a report I have received from the chairman of the tariff board relating to reference No. 125 on textiles. I am also tabling a transcript of

the evidence presented to the board at its public hearings. I think I should interject here that I commend the reading of this transcript to my hon. friends opposite.

This report deals with cotton and cotton products. It is the tariff board's third report pursuant to reference No. 125. Earlier reports dealt with wool fabrics and with certain wool yarns and textile wastes. Subsequent reports will cover synthetic textile fabrics and manufactures, woollen apparel, knitted goods and other textile products.

The board's hearings on cotton and cotton products were lengthy, 48 days in all, and the evidence was voluminous. However, the report is quite compact. It comprises two small volumes, of which the second is a statistical appendix. The conclusions and recommendations are summarized in volume 1 of the report on pages 111 to 121.

The tariff board found that the two great divisions of the Canadian textile industry which process natural fibres—wool and cotton—have much in common. Both use imported raw material; both rely to a considerable extent upon female labour; both are long established in Canada; both are keenly affected by import competition and by competition from man-made fibres, and both are vulnerable to the whims of fashion.

It was also found, however, that there are important differences between these two important branches of the textile industry. By and large, woollens constitute a town or village industry; cottons, for the most part, are produced in metropolitan areas. Taken as a whole, the Canadian cotton industry was found to be in a much healthier state financially than its counterpart producing woollens and worsteds.

The Canadian primary cotton industry's most serious problems stem in large part, it was found, from the ever-changing variety in pattern, colour and finish of fabrics demanded by its customers; and from the presence on its very threshold of the most modern, the most diversified and the most aggressive cotton cloth industry in the world, that of the United States. The board concludes, however, that by and large our industry is standing up to the competition. That the Canadian cotton industry has been able to hold the domestic market to the extent it has done is, in the board's words, "a tribute to its initiative, its efficiency and its adaptability in the face of circumstances which it dare not ignore and which, for the most part, it is powerless to alter".

The board states that in undertaking the formulation of a draft tariff schedule, as it was directed to do by my letter of reference, it kept in mind the desirability of revising a schedule which has been little changed in 30 years; of deleting from the tariff such items as have lost their significance; of simplifying and modernizing the terminology; of reducing as far as possible the number of classifications; and of giving due consideration to the effect that changes in rates might have upon consumers and upon secondary industries using cotton yarns or fabrics.

Under the proposed new cotton schedule recommended by the board some 50 existing tariff classifications would be reduced to 20. This consolidation would involve increases in some rates and reductions in others. The remaining items would be regrouped and the terminology simplified. All of the duties would be on an ad valorem basis.

The board states that the proposed schedule provides for a small increase in protection for Canadian cotton yarn spinners; very little change as regards the thread industry, and moderate increases in most favoured nation rates in respect of bleached fabrics and coloured fabrics. With regard to item 523b, the important item which covers most coloured fabrics, a simple ad valorem most favoured nation rate of 22½ per cent would be introduced according to the board's recommendations. The present most favoured nation rates range from 17½ per cent plus 3 cents per pound to 25 per cent plus 3½ cents per pound, depending on the value of the fabric. The British preferential rate would remain unchanged at 17½ per cent. I should like to add that the British preferential rates show little change throughout the revised schedule as proposed by the board, and that such changes as do occur are incidental to the revision of classifications and descriptions of goods.

From what I have said it will be clear that to implement the recommendations would involve numerous changes, some upward and some downward. Many of the rates of duty which would be affected are now bound under the general agreement on tariffs and trade. Hon. members will appreciate, accordingly, that GATT negotiations would be involved if the board's recommendations were to be implemented, and such negotiations normally occupy a matter of months. I should also point out that if such negotiations were undertaken they might involve the further reports on textiles which I hope to receive later this year from the tariff board.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I am sure all hon. members will welcome the tabling of this report because of the thorough work which has been done by the tariff board. It is quite impossible to

make any comment about the statement in a substantive way at this stage because we have not yet had an opportunity to study the report. But I wonder whether the minister could indicate at this time if he proposes any legislative action at this session arising out of the report in relation to those items which are not bound by GATT?

Mr. Fleming (Eglinton): Mr. Speaker, my hon. friend is asking me a question with regard to changes in the tariff. I think on reflection my hon. friend will realize that that is not a proper question for him to ask, nor would it be a proper question for me to answer.

Mr. McIlraith: It is proper to ask it, though.

STARRED QUESTIONS

"CANADIAN ECONOMIC OUTLOOK, 1957"

Question No. 6—**Mr. Pickersgill:**

1. How many copies of The Canadian Economic Outlook, 1957, were produced by the Department of Trade and Commerce or any other agency of government?
2. How many were circulated and to whom?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the answer to the first part of the question is as follows: 175 copies of The Canadian Economic Outlook for 1957 were mimeographed.

The answer to the second part of the question is that 15 copies were sent to the office of the privy council and 149 were made available to senior civil servants and to various govermental agencies such as the Bank of Canada and Central Mortgage and Housing Corporation. Two copies were tabled, and four more were later supplied to the Clerk of the house on request.

After the tabling of the report on January 20 a further 100 copies were mimeographed and 75 copies were handed to the press gallery.

Mr. McIlraith: None for members of parliament.

"CANADIAN ECONOMIC OUTLOOK, 1958"

Question No. 7—**Mr. Pickersgill:**

1. How many copies of The Canadian Economic Outlook, 1958, were produced by the Department of Trade and Commerce or any other agency of government?
2. How many were circulated and to whom?
3. Where are the remaining copies, if any?

Hon. Gordon Churchill (Minister of Trade and Commerce): As to the first part of the question, the answer is that 175 copies of The Canadian Economic Outlook for 1958 were mimeographed.

The answer to the second part of the question is that 31 copies were sent to the office of the privy council, 136 copies were made available to senior civil servants and to various governmental agencies such as the Bank of Canada and Central Mortgage and Housing Corporation. Two copies were tabled in the House of Commons and one copy in the Senate.

The answer to No. 3 is as follows. Five copies of The Canadian Economic Outlook for 1958 are being held in the Department of Trade and Commerce.

Mr. Pickersgill: I wonder if the minister would permit a supplementary question.

Some hon. Members: No.

Mr. Speaker: Order. I wonder whether the hon. member would reserve the supplementary question until the orders of the day are called.

C.B.C. BOARD OF DIRECTORS—RADIO INTERESTS

Question No. 10—**Mr. Caron:**

Is any member of the executive committee of the board of directors of the Canadian Broadcasting Corporation at present engaged in the business of broadcasting or has any pecuniary or proprietary interest, as owner, shareholder, director, officer, partner or otherwise, in a broadcasting station or in the manufacture or distribution of radio apparatus?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, in the absence of the Minister of National Revenue may I ask that this question be allowed to stand.

Mr. Speaker: Stands.

Question stands.

SURPLUS WAR PLANES

Question No. 13—**Mr. Martin (Essex East):**

1. May surplus war planes be bought in Canada and shipped to any other country without an export permit?
2. Has an application been made by any individual or corporation for an export permit for Canadian jet or any other fighter planes with or without armament mounting and radio equipment for shipment to any country from Canada?
3. If so, who is the individual or who are the individuals or the corporation who have made such an application?
4. For how many and what surplus war planes has such an application been made and on what date?
5. Is it the policy of the government to insist on a guarantee that such planes will not be used for military purposes by any country other than the United Kingdom or the United States?
6. Is it the practice of the government in the case of aircraft bought for shipment to the United States or the United Kingdom to insist on the assurance from the purchaser that such aircraft will not be transshipped to any other country or used for any military purpose whatsoever?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the answer to question No. 1 is that surplus military aircraft are under export control to all destinations.

except the United States in cases where that country is the ultimate destination of the export.

To question No. 2 the answer is yes.

To question No. 3 the answer is as follows:

It is established practice to treat all details of applications for export permits as confidential and an assurance to this effect is given to applicants for permits. However, it is public knowledge from press and radio reports that a United States company acquired a number of Vampire jet aircraft in Canada and has been interested in selling twelve of these aircraft to the Dominican Republic. Export to the Dominican Republic would require either a permit from the Canadian government or, if the aircraft were first imported into the United States, a licence from the United States government.

Question No. 4 has been answered by the answer given to question No. 3.

To question No. 5 the answer is as follows: No. It is assumed that military aircraft are bought for military purposes.

To question No. 6 the answer is as follows: The exporter is required to disclose the ultimate destination, and failure to do so is an offence. Any details regarding an intended re-export from the United Kingdom or the United States are taken into consideration before an export permit is granted by Canada. The United Kingdom and the United States also control exports of military aircraft.

POSTAL SURVEY, ELLIOT LAKE, ONT.

Question No. 15—**Mr. Peters:**

1. Has a survey of the postal requirements of the new town of Elliot Lake been undertaken by the government?
2. If so, has this survey been completed?
3. Have plans for a new post office been completed?
4. Is the implementation of letter carrier service contemplated in the near future?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, the answers to these questions are as follows:

1. Yes.
2. Yes.
3. No.
4. Study is being given to the possibility of establishing door to door mail delivery service.

NORWEGIAN SHIP "KOLLFIN"

Question No. 17—**Mr. Fisher:**

1. Has the Department of Transport a report or any other information on an incident which took place in lake Erie last fall relating to a Norwegian ship, the *Kollfin,* and possible survivors from an oil drilling rig acident?
2. If so, was there any indication that the captain of the ship and/or the pilot had failed to follow standard marine procedure?
3. Who was the pilot, what were his qualifications, and who was his employer?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the answer to the first part is yes. The answer to part 2 is no.

With regard to part 3, the pilot on board was Mr. Joseph Richard Groulx. He holds a Canadian certificate of competency as master of a steamship in the home trade, and he was employed by the shipping federation of Canada.

M. S. "MICHIGAN" AND NORWEGIAN SHIP "POLYRIVER"

Question No. 18—**Mr. Fisher:**

1. Has the Department of Transport a report on the accident which took place in the Welland canal on Saturday, September 20, 1958, involving the M.S. *Michigan* and the Norwegian ship *Polyriver*?
2. If so, did the report indicate any responsibility as to the cause of the accident?
3. Did the Norwegian ship *Polyriver* have a pilot on board?
4. If so, what was his name, his qualifications, and his employer?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the answer to part 1 is yes.

With regard to part 2, the report did not indicate that the casualty was caused by incompetence or lack of skill on the part of any person.

The answer to part 3 is yes.

As to part 4, the pilot's name was Donald MacDonald Livingstone. He holds a certificate of competency as master, foreign-going, issued in the United Kingdom, and he was employed by the shipping federation of Canada.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT PURCHASES OF PAINTINGS

Question No. 34—**Mr. Murphy:**

1. What paintings have been purchased by the government in the years 1950-1958 inclusive?
2. What are the titles of the pictures and names of the artists?
3. What was the price paid for each painting?
4. Was any commission paid in the purchase of these paintings?
5. If so, what was the amount of the commission and to whom was it paid?
6. On whose recommendation was each painting purchased?
7. Did the government purchase a painting entitled "The Road"?
8. If so, when, and what was the amount paid?
9. On whose recommendation was such painting purchased?
10. Has this painting ever been displayed to the public?
11. If not, for what reason?

12. How many paintings have been purchased by the government since 1935, which have never been displayed to the public?
13. What was the total purchase price of these paintings?

CORPORATION DIRECTORATES HELD BY MINISTRY

Question No. 41—**Mr. Howard:**

1. Are there any ministers of the crown who, since becoming a minister, have held directorates in any corporation?
2. If so, which ministers, in what corporations, and for what periods of time?

RIDEAU CLUB, OTTAWA—FEDERAL USE OF FACILITIES

Question No. 53—**Mr. Fisher:**

1. Did the government in 1958 lease, buy, borrow, or otherwise engage the services and facilities of the Rideau club, 84 Wellington street, Ottawa, Ontario?
2. If so, for what occasions, by what departments, at what price?
3. Before these services were so engaged, was any inquiry made regarding the constitution, regulations, and practices of this club in order to determine whether there are any provisions and practices which discriminate against or exclude any or certain ethnic or racial groups?

TEXTILE INDUSTRY EMPLOYMENT

Question No. 55—**Mr. Dupuis:**

1. How many persons were employed in the textile industry in Canada in (a) 1956; (b) 1957; (c) 1958?
2. In what cities, towns and other places were these persons employed in each of the years 1956, 1957 and 1958?

MOTIONS FOR PAPERS

INCOME TAX ACT, SECTION 5 (2)

Motion No. 12—**Mr. Fisher:**

For a copy of all representations and correspondence received by the government, and the government's replies thereto, concerning section 5, subsection 2, of the Income Tax Act, since 20th December, 1957.

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, in the absence of the Minister of National Revenue may I ask that this motion stand.

Mr. Speaker: Stands.

Motion stands.

WINTER WORK PROMOTION PROJECTS, QUEBEC

Motion No. 19—**Mr. Rouleau:**

For a copy of all correspondence exchanged since October 28, 1958, (1) between the federal government and the government of the province of Quebec; (2) between the federal government and the cities of Montreal and St. Laurent, relating to the work that could be performed in the cities of Montreal and St. Laurent pursuant to a winter work promotion project undertaken by the municipalities, as stipulated by the Prime Minister in his letter of October 29, 1958 addressed to the provincial premiers.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the motion is agreed to subject to the province agreeing to the production of this correspondence.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the reservation mentioned by the minister?

Motion agreed to.

CROWSNEST PASS RATES ON GRAIN

Motion No. 37—**Mr. Argue:**

For a copy of all correspondence, telegrams or other documents exchanged between the federal government or any department or agency thereof, and the railway companies or other companies or individuals, since January 21, 1957, regarding an increase in the Crowsnest pass rates on grain.

Motion agreed to.

EXTERNAL AFFAIRS

CANADA-U.S.—REQUEST FOR STATEMENT ON CO-ORDINATION OF DEFENCE PRODUCTION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I wonder whether the Secretary of State for External Affairs, or if not the Secretary of State for External Affairs then some other minister, could report on the discussions which have taken place with the United States regarding the co-ordination of defence production and the sharing of contracts between the two countries in this field.

Hon. Howard C. Green (Acting Minister of Defence Production): Perhaps I could answer this question, Mr. Speaker, as Acting Minister of Defence Production. A meeting was held this week in Ottawa which was one of a continuing series being held to work out arrangements to provide Canadian industry with a continuing and vital role in the development and production of modern defence weapons for the armed forces of Canada and the United States. As announced previously by the Secretary of State for External Affairs, the Minister of Defence Production will shortly make a statement to this house on the machinery which has been established with the United States government for production sharing, and the progress to date.

CANADIAN BROADCASTING CORPORATION

MONTREAL—INQUIRY AS TO PRESENT STRIKE POSITION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): In the absence of the Minister of National Revenue I should like to direct a question to the Minister of Labour arising out of the report that there is a possibility of the television

strike being extended to the nation-wide English network. Is the Minister of Labour able to report on the progress of negotiations toward a settlement, and are meetings under way?

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker, no such reports have been brought to my attention.

Hon. Lionel Chevrier (Laurier): May I ask a supplementary question of the Minister of Labour. In view of the fact that he has already stated that he will not intervene in this strike, may I ask him whether now, because the discussions as I understand them are dealing with unions other than the producers, the minister will decide to intervene in the dispute.

Mr. Starr: I am not aware at what stage the discussions are at the moment, and my position is still the same.

Mr. Argue: May I direct my question, then, as a supplemetary question to the Acting Minister of National Revenue; that is, whether there is any progress toward the settlement of this strike. I take it there is an Acting Minister of National Revenue?

Hon. J. M. Macdonnell (Acting Minister of National Revenue): I shall take that as notice.

(Translation):

On the orders of the day:

Mr. Raymond Eudes (Hochelaga): Mr. Speaker, may I direct a question to the Solicitor General? Could the minister inform the house whether he has any information about the progress of negotiations in the C.B.C. producers' strike against the C.B.C.?

Hon. Leon Balcer: Mr. Speaker, this question should be directed to the minister who reports to the house on this matter, i.e. the Minister of National Revenue. A similar question was asked a few minutes ago, and the reply came from the one who, for the time being, represents the Minister of National Revenue, the Minister without Portfolio (Mr. Macdonnell).

Mr. Denis: May I ask a supplementary question? The Solicitor General stated on January 23 that he was closely following developments of the strike. Could he explain to the house—

Some hon. Members: Order!

(Text):

Mr. Speaker: The hon. member has heard the Solicitor General say today that it is not his responsibility but that of another hon. minister, and I think he is obliged to accept the answer.

(Translation):

On the orders of the day:

Mr. H. Pit Lessard (St. Henry): I should like to direct a question to the Minister of Labour (Mr. Starr). Could the Minister of Labour tell us why the government does not intervene in the settlement of the strike of the C.B.C. French network producers?

(Text):

Mr. Speaker: I am sorry, I did not hear all of the question, but what I heard had a great similarity to a question that has already been asked.

ROYAL VISIT

INQUIRY AS TO POSSIBLE VISIT TO CORNWALL, ONT.

On the orders of the day:

Mr. Grant Campbell (Stormont): I should like to direct a question to the Prime Minister. Is the Prime Minister in a position to inform the house of Her Majesty's itinerary subsequent to the opening, and specifically will she come to Cornwall and the area immediately to the west, that has suffered the most dislocation in connection with this whole project?

Right Hon. J. G. Diefenbaker (Prime Minister): This has been a matter on which the hon. member has expressed understandable concern for a considerable period of time. According to the general terms of the itinerary Her Majesty the Queen will have to divide the opening ceremonies between two dates, June 26 and 27. The President of the United States will return to Washington, according to present plans, on the evening of the 26th. In so far as the 27th is concerned, the details of the program have not yet been worked out but I think it is most probable that she will visit Cornwall and nearby Canadian communities along the seaway on that date.

FINANCE

"CANADIAN ECONOMIC OUTLOOK FOR 1958"—EXTRA COPIES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the hon. Minister of Trade and Commerce why, when it was possible to produce 100 extra mimeographed copies of The Canadian Economic Outlook for 1957 at very short notice, it proved impossible to produce a similar number of copies of a similar report

in 1958 when they were requested by hon. members on this side of the house and by the press gallery?

Mr. Fulton: Is that an urgent question?

Mr. Pickersgill: Yes. The rights of parliament are always urgent.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, when I was asked by the Leader of the Opposition if additional copies were available on the day the report was tabled, I said no, that it was impossible to supply them on that occasion. Obviously there was no demand from any member of the House of Commons other than the Leader of the Opposition for additional copies.

Hon. L. B. Pearson (Leader of the Opposition): On a point of order and accuracy, Mr. Speaker, the minister in reply to my question did not say that. He said it was impossible to produce them, and did not add the words "on that occasion".

Mr. Pickersgill: Mr. Speaker, following the Leader of the Opposition on a point of order—

Mr. Speaker: I am not able to determine whether the hon. member is rising to ask a question or is rising on a point of order.

Mr. Pickersgill: Mr. Speaker, I was rising on a point of order. I think the Minister of Trade and Commerce was mistaken when he said this matter was not brought up subsequently, because I myself brought it up in the house and asked that extra copies be made available.

AGRICULTURE

BUTTER—REPORTED LOWERING OF SUPPORT PRICE

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Is there any foundation for the rumour that the support price on butter will be lowered in 1959?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I have not heard any of these rumours. There are, of course, always rumours in connection with all these matters and I do not doubt that the hon. member may have heard some. However, as I think most hon. members know, the dairy year begins on May 1. The present support prices were set as at that date in 1958, and the prices which will be in effect for 1959 will be set at some time prior to May 1 of this year and announced at that time.

(Translation):

QUEBEC—USE OF UNLICENSED PERSONNEL IN BRUCELLOSIS TESTS

On the orders of the day:

Mr. J. O. Latour (Argenteuil-Deux-Montagnes): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. I apologize to him for my failure to give him notice of my question.

Is the minister aware that the school of veterinary medicine of the province of Quebec has been informed by Dr. K. F. Wells that authorities of the federal Department of Agriculture will allow veterinarians to secure the services of unqualified persons to take blood samples for the detection of brucellosis?

Is the minister aware that such authorization would be against the law which governs the practice of veterinary medicine in the province of Quebec?

(Text):

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I am aware of what I believe the hon. member was speaking about. Due to the great urgency in getting the brucellosis testing program completed as rapidly as possible, we have had representations from a number of agricultural organizations and from individuals urging that we should allow trained technicians to take blood samples and thus expedite the testing program. We put into effect a program of that sort and gave notice to the veterinarians across Canada that it would be in effect. I was not aware of the fact that this was contrary to any Quebec law or regulation, and of course if it is, the program will not be put into effect in that province.

NATIONAL DEFENCE

CALGARY—CIVILIAN USE OF R.C.A.F. FIELD

On the orders of the day:

Mr. A. R. Smith (Calgary South): Mr. Speaker, I would like to ask the Minister of National Defence a question relating to the use of military airfields. I wonder if the minister would advise whether any steps have been taken to turn over military airfields which have become surplus to the requirements of his department to any of the municipal authorities where they are located. In particular, can he advise whether his department would consider releasing the R.C.A.F. field located in Calgary to the municipal authorities of that city?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, I thank the hon. member for giving me notice of this question. In answer to the first part I would say that airfields considered surplus to requirement by my department are offered to the Department of Transport for disposal. In the past

in certain cases that department has handed over the control and administration of such airfields to municipal authorities.

With specific regard to the R.C.A.F. field located in Calgary, and forming part of R.C.A.F. Lincoln park, I am informed that while there is a continued requirement for the station accommodation now in use, the R.C.A.F. no longer has an exclusive need for the airfield itself. We are therefore prepared to consider handing over control of the airfield to the Department of Transport, which would permit that department to develop an arrangement that would meet the local civil aviation needs as well as the reduced needs of the R.C.A.F. I should point out, however, that the Department of National Defence would not be responsible for any additional costs of airfield operation resulting from the use of the field by civilian aircraft.

TRANSPORT

POSITION OF PILOTS UNDER PENDING LEGISLATION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport. I apologize for not having given him notice, but if this is not sufficient perhaps he could take it as notice. I wonder if he would tell the house whether he recently saw a delegation of Montreal and Quebec pilots who came to make representations to him in connection with certain legislation now before the other place, and whether or not in view of those representations the rights of the pilots as contained in the present legislation will remain unaltered.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the hon. member is correct in that I saw a delegation the other afternoon and discussed the matter very thoroughly with them, and I believe that the pilots concerned are satisfied that the department has their welfare very much in mind. I think they understand much better our position in this important matter, and I feel that a good understanding between the pilots and the department was reached at that meeting.

Mr. Chevrier: Could the minister say whether or not, following those representations, the provisions of the statute will remain unaltered in so far as those two districts are concerned?

Mr. Hees: Mr. Speaker, I think the pilots understand the reasons for the proposed change in the act, and I think they understand very well that their rights and livelihood will be protected by the department.

[Mr. Pearkes.]

Mr. D. M. Fisher (Port Arthur): May I direct a supplementary question to the Minister of Transport relating to pilotage. Can the minister confirm whether or not state pilotage bills as far as the seaway is concerned are before the legislatures of New York and Michigan at the present time? If so, what representations are the government making with regard to such bills?

Hon. George H. Hees (Minister of Transport): I am not aware of any bills which may be before those legislatures, but the United States pilotage authorities and ourselves have been in close association in discussing these matters during the past year and a half. I believe they are conversant with our views, and we are conversant with their views.

Mr. Fisher: The minister has referred to United States authorities. Does he mean the state authorities or the national authority, or has he been in touch with both?

Mr. Hees: We have been in touch with both.

CIVIL DEFENCE

REQUEST FOR STATEMENT BY MINISTER OF NATIONAL HEALTH AND WELFARE

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of National Health and Welfare if he proposes to make a statement on the matter of civil defence before the very heavy responsibility for that organization is turned over to the Minister of National Defence.

Hon. J. W. Monteith (Minister of National Health and Welfare): I think, Mr. Speaker, the hon. gentleman is assuming quite a lot when he asks that question. I said earlier that I would be making a statement in the house on some future occasion, and as soon as possible.

HEALTH AND WELFARE

DR. MURRAY—REQUEST FOR PUBLIC HEALTH RESEARCH INTO CANCER VACCINE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare arising out of the great interest taken by the Canadian people in obtaining a cure for cancer.

Has the statement by Dr. Gordon Murray, who has developed a serum for use in the treatment of cancer, in which he requests federal and provincial public health departments to do research work toward the development of a cancer vaccine, been brought to the attention of the minister; and can the minister say whether action is being taken by the federal government to expand cancer research?

Hon. J. W. Monteith (Minister of National Health and Welfare): I should like to thank the hon. member for having given me notice of this question. I have followed closely and with great interest the reports which have been issued on the serum developed by Dr. Gordon Murray of Toronto in his research aimed at the production of an anti-cancer vaccine, and my attention has been directed to his most recent statement on his further experience with this serum.

Regarding the second part of the question, whether action is being taken by the federal government to expand cancer research, I can say quite definitely that action has already been taken both by the federal and provincial governments and the national agency directly concerned, the national cancer institute, to expand progressively research in this field. At the time of its organization it was felt desirable in the interests of encouraging the highest level of research performance that the national cancer institute should be the agency, on a country-wide basis, to co-ordinate this specific research effort, and for its experts to appraise and assess the requests for assistance in cancer studies.

To stimulate in a tangible way the development of this program the federal government, under the national health grants, together with a number of provincial governments, provide annual contributions to the national cancer institute's research resources. Since the beginning of the national health grants program the federal government has provided from the cancer grant a total of about $1,100,000 to supplement funds directly available to the institute. This amount has been matched by contributions from the provinces.

An indication of the growth of the program of the national cancer institute is the fact that their total appropriation for the year 1948 was $87,400, whereas their most recent budget, that is for 1958-59, totalled $1,024,000.

When in the opinion of the experts associated with the institute and other prominent research leaders in Canada this serum has been developed to a state of assuring positive benefit to those afflicted with cancer, as in the case of any discovery which offers reasonable promise of improving health and controlling disease—for example, as the poliomyelitis vaccine immunization program—the federal government will spare no effort to bring the benefit of such discoveries to the Canadian people.

ADMINISTRATION OF JUSTICE

NEWFOUNDLAND—REPORTED R.C.M.P. INTERVENTION IN LABOUR DISPUTE

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to direct a question to the Minister of Justice, and ask him whether he is in a position to comment on news reports that near Grand Falls, Newfoundland, the R.C.M.P. broke through picket lines in police cars and knocked down three women picketers; and on the further report that the R.C.M.P. were used to escort cars through the picket lines carrying strike-breakers who had been recruited by the company.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I received notice of this question after I came into the house. I am therefore not in a position to comment on the news reports to which the hon. member has referred. I can say, however, that the only news report I have seen gives a somewhat contrary impression, and suggests that the windows of automobiles being escorted by the police were broken by the picketers.

Perhaps I should point out again, as I said yesterday at page 855 of *Hansard,* that the R.C.M.P. in matters of this kind are acting entirely as a provincial force in accord with the contract with the province to enforce specific provincial laws or to enforce law and order generally within the province. In their activities in this connection they come under the direction of, and are responsible to, the provincial attorney general, from whom alone detailed reports on matters of this kind should be expected.

Mr. Peters: A supplementary question. Would the minister say whether the R.C.M.P. acting under this type of contract are permitted to do things which the R.C.M.P. would not normally be permitted to do?

Mr. Speaker: I think the hon. member should make his question more specific. As it is it is too hypothetical.

Mr. Fulton: The answer, of course, is no; and there is no evidence to support the suggestion implicit in the question asked by the hon. member.

GRAIN

WHEAT—STATEMENT ON POSITION OF MARITIME CONSUMERS

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, on February 9 the hon. member for Halifax, in a question with reference to the increase in the price of wheat at the lakehead, asked if an assurance could be given that maritime domestic consumers would not have to pay a higher price for western grain, particularly for feeds.

The answer is that the recently announced increase in price will apply to all wheat purchased at the lakehead, whether for export

or domestic use. This procedure is in accordance with the authority granted under the Canadian wheat board regulations 1958-59 crop year, part II, paragraph 6, subparagraph (1), approved by order in council P.C. 1958-725.

In so far as domestic wheat and coarse grains are concerned, some of the price increase will be offset by reduced transportation charges, but I can give the hon. member no assurance that the full price increase will be offset in this way. The board's pricing policy will be a flexible one which will take into consideration changing conditions related to grain movement costs on the great lakes-St. Lawrence waterway.

DEFICIENCY PAYMENTS—INQUIRY AS TO PRESENTATION OF BRIEF

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Prime Minister. Has the Prime Minister now received a request from the leaders of the farm organizations in western Canada for an appointment with the cabinet in order to present a brief with regard to deficiency payments? If so, has a date for this presentation been set?

Right Hon. J. G. Diefenbaker (Prime Minister): I had a discussion the other day with Mr. Stevens, the secretary treasurer of the pool organization, and it was agreed that the cabinet would be very happy to receive the members of the delegation. The date set was March 10 next, at the city of Ottawa, in the Chateau Laurier hotel.

CANADIAN PACIFIC RAILWAY

BRITISH COLUMBIA—DISCONTINUANCE OF WINTER FERRY SERVICE, VANCOUVER ISLAND

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I wish to direct a question to the Minister of Transport. Is the minister able to advise the house whether he has yet received any information from the government of British Columbia or from the Canadian Pacific Railway relative to the maintenance of the steamship service between Vancouver and Victoria?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Monday, February 9, in response to a similar question asked by the Leader of the Opposition, I advised the house that the C.P.R. had informed me that between now and the tourist season, when different boats will continue the service, they are providing bus service between Victoria and Nanaimo and ferry service from Nanaimo to Vancouver, and that the transit time of the bus service plus the ferry service would be less than the time previously required by the ferry going from Victoria to Vancouver and from Vancouver to Victoria.

Mr. Winch: A supplementary question, Mr. Speaker. I am afraid the minister misunderstood me. I asked him if since last Monday he heard from the government of British Columbia or from the C.P.R. relative to a continuation of the service.

Mr. Hees: No, Mr. Speaker.

SUPPLY

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

CANADIAN BROADCASTING CORPORATION

701. Grant towards the anticipated operating deficit of the radio and television services—further amount required, $2,193,552.

The Chairman: The details of this vote may be found at page 5 of the supplementary estimates.

(Translation):

Mr. Dupuis: Mr. Chairman, I have no intention at all to add unduly to the length of the debate that took place last Friday when this item came up for consideration.

I was here in the house last Friday, and the C.B.C. strike had then reached its 40th day. I heard the speeches made by members from both sides of the house, and particularly by the hon. member for Laurier (Mr. Chevrier) and by the Minister of National Revenue (Mr. Nowlan). Mr. Chairman, early in the afternoon of last Friday, the Minister of National Revenue made the following statement to the house, as reported on page 775 of *Hansard*:

> I was waiting, Mr. Chairman, to see whether hon. members had anything else to say on this estimate before it was carried.

And the Minister of National Revenue went on to say:

> It is an extremely difficult situation in which I find myself this afternoon. As hon. members well know, negotiations are going on at this very moment, or at least I hope so. They started at 12 o'clock and I trust that if they have concluded it will be in a satisfactory way.

Well, Mr. Chairman, on Friday the Minister of National Revenue stated that he was expecting to hear at any moment of the settlement of the C.B.C. strike. Shortly afterwards I saw the hon. member for St. Lawrence-St. George (Mr. Chambers) enter the

house, and send a page over to the Minister of National Revenue with a message. I thought, as did all my colleagues, that the C.B.C. strike was ended or was on the verge of settlement. Now, like all members of the federal government and particularly those whose constituencies are affected by the C.B.C. strike, I have received many letters from my constituents asking me to raise the matter in the house and to ask the government—

Mr. Grafftey: How many letters?

Mr. Bruchesi: Let us see them.

Mr. Grafftey: How many letters?

Mr. Dupuis: —asking me to raise the matter in the house and to ask the government to face its responsibility. However, Mr. Chairman, I refrained from doing so until today.

Mr. Grafftey: How many letters?

Mr. Dupuis: Last Friday, in view of the hon. minister's statement, we were under the impression that the strike was near settlement. And today, Mr. Chairman, on this 44th day of the strike, we hear that not only the C.B.C. strike is not settled, but that it is not likely to be settled because it seems that there is more and more beating about the bush on an extremely difficult problem.

Mr. Chairman, I rise today, on this 44th day of the strike, to ask again to the government to face its responsibilities about the C.B.C. strike, because the longer the strike lasts the more we shall hear of unjustified and unjustifiable criticism from all sources about the C.B.C. board of directors or about the C.B.C. producers.

At the beginning of this strike, the government could have seen to it that both parties met immediately and discuss between themselves the necessary steps to settle the strike. Each day we read in the papers, whether in the form of open letters to the editors or signed articles, of criticism against the C.B.C. or the producers, and the longer the strike lasts, the more significant those criticisms will become, and the more they will harm the C.B.C.'s operations and reputation.

Mr. Chairman, 74 television producers are on strike. They are supported by 1,200 employees. All they asked was not at all a salary increase, as some hon. members to the right would want us to believe, but the right to negotiate with the C.B.C. authorities.

The Minister of National Revenue stated that he was not anxious to intervene in the C.B.C. strike, that it was not part of his function and at the same time, Mr. Chairman, he declared that the strike was illegal. Therefore, I submit with great respect that in declaring the strike illegal, the Minister of National Revenue was intervening in the C.B.C. strike, but not in the way he should have.

Since then, Mr. Chairman, public opinion has been split in two camps; even the cabinet has been split in two camps. The Solicitor General (Mr. Balcer) said that the strike was legal, and the Minister of National Revenue said it was not. The Minister of Labour has followed the policy of the ostrich, which buries its head in the sand so as not to see what is going on around it.

Well, Mr. Chairman, public opinion is split in two groups and so is the government. The strike is now in its 44th day and we are no farther ahead than on the first day; indeed we are perhaps farther than we think from an equitable solution.

Mr. Chairman, the hon. member for St. Lawrence-St. George, who is in the house at this moment, has done his best to settle the strike; he has tried to bring both parties together so that the strike might be settled. Mr. Chairman, I have much regard and admiration for the hon. member for St. Lawrence-St. George who tried—although the Minister of National Revenue would not see it that way—to find a solution to the C.B.C. producers' strike. And I find he deserves much sympathy in that he was not more openly supported by our hon. friends opposite.

Mr. Chairman, if the hon. member for St. Lawrence-St. George can act as a mediator or referee between both parties, is it not the duty of the Minister of National Revenue himself, who answers for the expenditures and management of the C.B.C., to intervene so as to find a referee? If the hon. member for St. Lawrence-St. George lacks his government's support and if, as the Minister of National Revenue said, he is taking those steps on his own, of his own free will, I am of the opinion that the Canadian people are entitled to expect a different stand on the part of the government under which the C.B.C. is controlled and administered.

Attempts have been made in articles or short pieces à la Rumilly—what we call back home "Rumilliades"—in articles published in certain newspapers like the one I have here, for instance, to discredit the C.B.C. producers and the government itself.

Mr. Chairman, the longer the strike lasts, the longer you will have the opportunity of reading such vicious, biased and nefarious articles, whole pages of them, from the pens of friends of the Union Nationale, like Mr. Robert Rumilly, who misses no opportunity to indulge in shallow politicizing to the detriment of our national endeavours.

As a matter of fact, while the C.B.C. is labouring under an untenable situation, Mr. Robert Rumilly is jumping at the chance to shower compliments on the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), who deserves them, of course, since he thinks like Mr. Rumilly; in fact, he dreams of him, he "rumillizes" all day long, so to speak.

And then, Mr. Chairman, Mr. Rumilly went so far as to write the following:

> Is it not the right moment for the provincial government to set up the Quebec broadcasting corporation which has been desired and announced for so long?

Well, Mr. Chairman, that Quebec radio corporation, that Quebec TV corporation will never exist, but the C.B.C. does exist. The Minister of National Revenue therefore has a duty to intervene, and he is responsible for anything that develops by way of national disunity and blots the C.B.C.'s record. The full responsibility rests on the Minister of National Revenue and on the Minister of Labour, who is now looking at me, and who also has his share of responsibility, though he seems unaware of it.

Like the hon. member for Laurier (Mr. Chevrier), I should like to refer to section 56, subsection 1 of the Industrial Relations and Disputes Investigation Act, which, in my view, can never be mentioned often enough. In fact, the more this section is referred to, the less the Minister of Labour is willing to explain his attitude.

Here is what is provided in section 56, subsection 1 of the Industrial Relations and Disputes Investigation Act:

> The Minister may either upon application or of his own initiative, where he deems it expedient, make or cause to be made any inquiries he thinks fit regarding industrial matters, and may do such things as seem calculated to maintain or secure industrial peace and to promote conditions favourable to settlement of disputes.

In spite of the authority vested in him by that section, Mr. Chairman, the Minister of Labour buries his head in the sand and sees nothing. Moreover, while the act clearly states that the Minister of National Revenue must concern himself with the administration of the C.B.C., he says he has nothing to do with this strike.

Mr. Chairman, nearly five million listeners of the French network of the C.B.C. are deploring this situation, are pained by it, and are clamouring for the government to intervene; yet the government refuses to accept its responsibilities.

Mr. Chairman, television is no luxury, it is not an instrument to be trusted to the hands of Mr. Rumilly or of the member for Joliette-L'Assomption-Montcalm. Television is an important organization way above the people we heard mentioned.

Mr. Chairman, television today is a training school for the general public, for our people of all ages and all classes who are constant spectators of this modern invention. Television is no longer a luxury, and this medium which has become the day to day companion of five to six million listeners of the French network, is offering us just now certain shows which are not interesting, because they were not meant for us.

C.B.C. producers are entitled to expect something else than insults from certain newspapermen of the "Rumilly" type and we ourselves should expect something else than to see producers' names used at every turn, to hear discussions on their account in and out of season, and to read biased, libellous, slanderous and dishonest articles about them, such as we have seen in open letters published by certain official newspapers.

The C.B.C. producers are a group of distinguished, cultured, able and sincere men who have a right to press their demands. They have the right to negotiate with their employer, as have all other classes of society. We find now that these valuable men are being disparaged.

As the Minister of National Revenue said last Friday, the French network of the C.B.C. has become in a few years the largest of its kind in the world.

Recently, I have had the opportunity to discuss this matter with some French people from Paris who praised the manner in which C.B.C. programs are prepared, and they even added that the French radio of Paris could learn a great deal from the French network of the C.B.C.

Mr. Chairman, if I rise in my place today, it is not to side with the C.B.C. board of governors, or with the C.B.C. producers; but I am sick and tired like the whole population of the province of Quebec, of hearing so-called rightist people or newspapermen slander C.B.C. authorities or C.B.C. producers. Both the management and the producers of the C.B.C. deserve congratulations for having managed, thanks to their close co-operation over the years, to direct and develop from scratch the finest French T.V. network in the world. If the C.B.C. board of governors deserves congratulations, so do the producers, for all those years during which they worked together in the best spirit of understanding. This cleavage between employers and producers does no good to either group and certainly does no good to the government, especially if we consider its attitude toward that problem.

Mr. Chairman, the C.B.C. must absolutely work out a settlement of that strike; and unless the board of governors co-operates, settlement is impossible. What is unthinkable

is that the C.B.C. board of governors should be deprived of its producers any longer.

What we see reminds us of a body without a soul. Mr. Chairman, once again, after the hon. members for Laurier, St. Denis, Dollard (Messrs. Chevrier, Denis, Rouleau) and all those who have expressed their opinion freely and frankly in the house, I urge the government and the Minister of National Revenue (Mr. Nowlan) to intervene immediately. Let them stop passing the buck and shoulder their responsibilities.

Mr. Chairman, this is all I want to say but I can never too emphatically tell the government and the minister that they cannot evade the responsibility they have of intervening in the C.B.C. strike. On behalf of millions of people who are paying taxes for the privilege of hearing and seeing first-class programs on the dominion radio and television networks, we have a right to ask for the immediate settlement of the strike and the intervention of the government in this dispute.

(Text):

Mr. Chambers: Mr. Chairman, I had hoped to catch your eye before the hon. member for St. Jean-Iberville-Napierville, and I might have been able to save him the necessity of making his heated appeal or the necessity, at any rate, of making all of it.

I think it might be useful to the house if I should state at this time what the situation is in the negotiations that are going on between the C.B.C. and certain sections of their employees in Montreal. In the first place, as most hon. members know, there have been prolonged negotiations because we were faced with a difficult situation in which both sides had taken positions which they believed in strongly and it was difficult to reconcile them. However, we have made some progress. I can tell the committee that while nothing has been signed, a solution has been found to the problem that existed between the producers and the C.B.C.

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

Mr. Chambers: Yes.

Mr. Crestohl: Is the hon. member now making a statement on behalf of the government?

Mr. Chambers: No; I am not making a statement on behalf of the government. I am making a statement on my own behalf as the hon. member for St. Lawrence-St. George on a situation with which I happen to be acquainted and in which I think the committee will be interested. I have had no instructions—and I should like to make that point clear—from any member of the government in this matter whatsoever. In fact, I do not think that hon. members would suggest that it would be proper for the government to give me instructions in this matter. I do not feel at liberty to outline the actual agreements that have been reached at this time because, as I say, they have not been signed and they are not necessarily binding on anyone.

The situation that exists is this. I believe that a formula has been found to settle this difference but the producers in Montreal do not feel that they can sign a settlement until the people who respected their picket lines are satisfied that they can return to work under conditions that will keep their members happy. Hence we have a situation where five other groups which have been respecting these picket lines are approaching the C.B.C. to find out whether they can receive certain guarantees. The C.B.C. at the same time has contracts negotiated in the past with these groups and all on the national level.

One of the complicating factors is that some of the groups in Montreal have had differences of opinion with their national officers. The national officers in some cases have not supported the strike and the Montreal locals have respected the picket lines. You have the difficulty here in that the C.B.C. feels obliged to deal with people with whom they have contracts and the people in Montreal feel that perhaps they would not be properly represented if they dealt along that line. A solution to that problem has not been found. There is also the matter of the actual terms under which these people will return to work; I refer to the people who have been respecting the picket lines. Hence the problems have become bound up with each other.

I believe that a solution will be found. Exactly when that will happen is hard to say, but meetings are going on between the various people in an effort to find a solution to this secondary problem. As I say, I believe that a solution has been found to the first problem. But the signing of that solution or the document representing that solution is delayed until the other groups which have been involved in this matter reach an agreement, you might say, with the C.B.C. I do

not believe that too much help will be given to these continuing negotiations by newspaper stories or speeches in the house that strongly take one side or the other. We have an amicable feeling existing. I should like to pay tribute to the people on both sides for their patience, their good faith and their real willingness to find a solution. That situation still exists. With that feeling existing, I am sure that the parties will get together.

Mr. Argue: Mr. Chairman, I have listened with great interest —

The Chairman: I recognize the Leader of the Opposition.

Mr. Argue: If the Leader of the Opposition is rising to speak in the debate, Mr. Chairman, may I say that, in all fairness, I think the floor should be given to a member of the C.C.F. group at this time in keeping with the practice.

Some hon. Members: No.

Mr. Argue: If the Leader of the Opposition insists, I will yield. I think it is a long established practice to follow the procedure I have suggested.

I listened to the statement made by the hon. member for St. Lawrence-St. George with a great deal of interest. I think that anything that any hon. member of this house can do to bring about an amicable settlement at the earliest possible moment is something to be commended.

Some hon. Members: Hear, hear.

Mr. Argue: Before the applause gets too loud, may I say this. The question that I should like to have answered is this: where does the government fit in with respect to this whole important dispute? We have had this strike going on now for some six weeks, I believe. I do not believe that in recent years there has been debated in this house any subject about which members of parliament felt more strongly than they do about this particular situation that now exists. They feel strongly about the lack of French language programs of the quality and type of those that the producers have been putting forward for many years. This strike has denied to five million French speaking Canadians these programs which are dear to them.

I listened to the speech made by the hon. member for Laurier last Friday. To me it was a moving speech, and I think he was perfectly justified in coming back again and again to the point that this government should do everything possible to bring about a just settlement in this dispute at an early date. We have had by this government an exhibition that I can scarcely remember ever having been equalled in this chamber. The government has spoken on this question—as I have already said on a previous occasion—in at least three different ways. The Minister of National Revenue has stated in strong language that, in his opinion, the strike was illegal. He was not satisfied with that statement. On another occasion, according to reports, he went on to say that the strike was silly and to use other adjectives of that type. Then we have had the statement of the Solicitor General who, I would think is a man well versed in the law, occupying that important position in the cabinet and no doubt tendering advice of a legal nature to his colleagues from time to time. He has been most consistent in saying that the strike is legal. You have there, Mr. Chairman, two opposite opinions.

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

Mr. Argue: Yes.

Mr. Spencer: Is the hon. member aware that the musicians union have declared the strike to be illegal and have instructed their members to continue to work?

Some hon. Members: Oh, oh.

Mr. Argue: What an inference there is in that question, Mr. Chairman, namely that the responsibility of this government for a legal opinion lies somewhere outside this chamber. This is an additional position that is being taken by members of the Conservative party.

Mr. Spencer: Answer the question.

Mr. Argue: One position is that the strike is legal. The other is that it is illegal. The Minister of Labour says, "I do not know and I am not talking". The hon. member says that some other organization outside of this house has expressed a view.

Mr. Spencer: The union.

Mr. Argue: I have my own view and I am quite prepared on my responsibility to state my view. But it has nothing to do with the views that have been expressed outside this house.

We have had these three separate views from the government. We have had the state-

ment of the Minister of National Revenue that he did not wish to interfere in the strike. How could he interfere in a more direct way than to stand up in this chamber and say the strike is illegal; that is interference in the strongest possible fashion. In order to ascertain what the government is doing in this regard members of the opposition parties have addressed what I would consider to be very proper questions to the administration today concerning the progress being made. What are the answers? What has been the response of the ministers? We do not know; we have no information; or we will take it as notice. A member of the cabinet, one of Her Majesty's privy councillors, says he will take it as notice. Then, we have a private member on the government side of the house, an illustrious backbencher who has been doing his best to do the work of the government, getting up in this committee and giving us a progress report in connection with these negotiations.

I am sorry that the Minister of National Revenue cannot be here this afternoon. Of course, the same situation applies to all of us from time to time, and I have no criticism to make of him for not being here. However, I would think that when the Minister of National Revenue is away and an hon. member puts a question to the Acting Minister of National Revenue there should be no hesitation on the government side of the house as to who is Acting as Minister of National Revenue. When I addressed that question to the government there was a strange silence; there was a strange immobility. Finally, after a long silence, the hon. member for Greenwood caught the ball and said he would take it as notice. Here we are waiting for the government to say what progress is being made in the settlement of this strike, and I think parliament is entitled at this time to a report from a responsible minister. According to the Ottawa *Citizen* of Friday, January 30, the Minister of National Revenue has made a very strong statement in connection with this regrettable affair. He said, according to the report on page five of the *Citizen* of that date, under the heading "Nowlan Seeks Union For Cabinet":

> Revenue Minister Nowlan was guest speaker at the annual banquet of the customs and excise officers association held at the Eastview recreation centre.
>
> In an address frequently punctuated with humour, Mr. Nowlan declared that the C.B.C. producers strike was "unfortunate and frankly very silly. Someone should organize a union of cabinet ministers".

The minister says in the house that he is not interfering in the strike. The minister says that someone should try to organize a union for the cabinet.

Mr. Martin (Essex East): There may be difficulty in that case in getting certification for that particular group.

Mr. Argue: I might say it would be very difficult to get the cabinet members themselves to agree on the terms of any contract or any union they might wish to form. The Minister of National Revenue would say that a union for the cabinet is illegal. The Solicitor General would say it is legal, and when they went to the man who is the authority on labour matters, the Minister of Labour, he would say, I don't know. Then, of course, we would refer it to some of the backbenchers who would take action to solicit the cabinet ministers one by one to see if they were interested in forming such a union. Then, of course, they would take statements from people outside the house to see what their program should be.

This cabinet has been here for only 17 months, and look at the many directions in which they are now going. In so far as the Minister of Labour is concerned, he has played a very constructive role in many of the labour disputes in the past. He should use his good offices today to help these parties arrive at a satisfactory conclusion to this dispute. However, I can understand why he is so careful not to make a comment when there is such a division in the cabinet on this very important and very aggravating question.

I have read the remarks of the Minister of National Revenue in this house last Friday. In that statement he said many things with which I can agree. Perhaps I should quote his exact words from page 777 of *Hansard* for February 6, 1959:

> This was a government which was going to wreck the C.B.C. This was a government which would interfere with the C.B.C. It is rather ironic, Mr. Chairman, that the minister who was so diligent in making sure there was no interference with the C.B.C. in any way, shape or form, is now being criticized because he has refused to intervene in this matter.

How can he make that statement—I am quite willing to say that this could be an error—when it is so much in conflict with other statements in this house concerning this dispute. Then he went on to say, farther on, that interference with the C.B.C. was different from interference with the Canadian National Railways because:

> —if it once became a political football or a subject of political interference could be wrecked.

Those are exactly the sentiments of members of the C.C.F. We feel that there should

be no political interference with the C.B.C. in any way, but we suggest it is political interference for the Minister of National Revenue to comment that the strike is illegal and to have used words to the effect that the strike was unfortunate and frankly very silly.

I am hopeful that the government will, even at this late hour, use the good offices of the Minister of Labour to see if a settlement cannot be obtained. I have read the reference to the matter in the Toronto *Star* of February 10 and referred to the fact a strike ballot is being taken among 1,400 technicians in the nationwide English network. I am hopeful that there will be no spreading of this strike. I am hopeful that it will be settled today, but I ask the government to reconsider its whole position and to take action to use the good offices of the Minister of Labour to bring about a fair settlement.

Mr. Pearson: Mr. Chairman, I do not intend to detain the committee very long; especially do I not desire to stand in the way of the observations that my hon. friend seated behind me wishes to make. We on this side, Mr. Chairman, have argued that a major characteristic of the policy and attitude of this government has been confusion and contradiction, and it seems to me that it has in no way been better illustrated or displayed than in this particular situation which we are discussing at this moment.

The hon. member for St. Lawrence-St. George by his intervention I think in a sense also illustrated that confusion. I do not, of course, criticize him in any way, shape or form for the effort which he had been making, as a private member of the house on the government side, to bring this dispute to a satisfactory conclusion. I commend him for what he has tried to do, as, indeed, I would commend any hon. member in this house who intervened constructively in this dispute. The hon. member has made a report to the committee on his activities in this regard, and it was a report which I suggest, Mr. Chairman, might have come with even greater effect from someone who was authorized to speak for the government. The hon. member has indicated in his report that a draft agreement has been drawn up between the two parties most concerned, and that in his opinion the solution might well be reached very soon. We all hope, of course, that that will be the case. But if I took down the words of the hon. member correctly, he added that this draft agreement of which he talked was not necessarily binding, and he went on to explain that the difficulty now in reaching a final and satisfactory solution is in the relationship of this draft agreement to certain unions who have been concerned with the issue in an important capacity. That, Mr. Chairman, surely underlines what we have been arguing on this side, namely that the government should have intervened. Because there can surely be no doubt about the propriety of government intervention and interest in a dispute which is now, as the hon. member himself indicated, one of major concern to certain unions as well as to the C.B.C.

The contradictions of government policy, or the lack of policy in this matter, have been so clearly outlined by previous speakers, including my hon. friend the member for Assiniboia, that I do not need to spend any time on that topic. We are not suggesting that the government should interfere in any manner whatsoever with the operation of the C.B.C. That would be quite improper, and is something, of course, to be guarded against. But we are suggesting, and we have been suggesting for some days now, that the government should have intervened in a labour dispute which may have far-reaching consequences beyond the limits of a strictly labour dispute. Of course, in that intervention the government does not need to take any position, and should not take any position, in regard to the substance of the dispute. But I do suggest what the hon. member for Assiniboia, and other members before him, have already suggested, and that is that the government has already by its attitude taken a position in this matter. There comes a time when non-intervention can be intervention, and that position, I suggest, has been reached in this matter. It is easy to explain the reason for refusing to intervene formally in this matter, as some members of the government have done, in terms which condemn one side to the dispute and not the other. That is a form of non-intervention which is intervening in the wrong way.

The hon. Minister of Labour, who is, or should be, the minister most concerned in this matter as a labour minister, cannot be getting any satisfaction whatever from the continuance of this dispute which has now, I think, gone on for 44 days. He is, as we all know, a sincere, indeed a very generous-minded minister, and I am sure that he regrets, as we all regret, the damage that has been done already by this dispute. I am sure that he is just as worried as we are about the implication of the failure to settle this issue shortly. Surely even now at this late date, which is the 44th day of the dispute, the Minister of Labour will reconsider his position and initiate those conciliation procedures which are at his disposal in an effort to bring this dispute to a speedy and successful conclusion and I suggest that all the resources of his department should now be

brought to bear upon this issue to supplement the constructive activity of a private member of this house so that we, in all parties, may very shortly be able to congratulate ourselves that at last this dispute has been brought to an end.

(Translation):

Mr. Paul: Mr. Chairman, since the opening of the session, I have followed with great interest the zeal with which the Liberals, on the one hand, and the C.C.F.'s, on the other, have tried to spread the confusion that exists within their own ranks, and to make of this C.B.C. strike a problem which, in itself, leaves the great majority of the French speaking population of Quebec cold.

Some hon. Members: Shame!

Mr. Paul: I should like, this afternoon, without committing in any way the responsibility of my colleagues, express the opinion of my electors in the constituency of Berthier-Maskinonge-Delanaudiere most of whom—as I said a moment ago—feel indifferent about that strike.

I now refer to an article which Mr. Gerard Filion, managing director of *Le Devoir,* is said to have written on January 31, 1959, and which may be summarized as follows:

"This strike will teach us, we hope, a lesson in modesty". Many people who thought themselves indispensable are now on their way to oblivion. The public is not very much nostalgic about television. A survey made by the students of the College Sainte-Marie among 200 families shows that 60 per cent of those families are not suffering at all from the strike. Thirty-four per cent are suffering a little, and 6 per cent are really suffering. The same survey shows that "60 per cent have replied that the strike had made them realize that they could do without T.V. much easier than they thought".

"This is excellent news," concluded Mr. Filion.

The strike, Mr. Chairman, has given the people of Quebec the impression of being rid of certain hot-headed and leftist individuals, including the leader of the Quebec Social Democratic Party (a party without a doctrine), Michel Chartrand. We have a chance to enjoy relief from the Jeremiads of Jean Marchand, Rene Levesque, Andre Laurendeau and Gerard Filion.

An hon. Member: And of Jean Lesage.

Mr. Paul: The people of Quebec can now see films of real educational value which largely make up for the platitudinous programs we are given on many occasions.

Mr. Habel: So, you like going to Paris?

Mr. Paul: No. I do not live in Paris, I live in the province of Quebec—and you, Liberal gentlemen, you have laid the groundwork for and supported that strike. Why? Because the key posts are held by your protégés.

And when the producers and artists staged a march on Ottawa, what did we see? We saw the member for Laurier (Mr. Chevrier) and the head of the C.C.F. party (Mr. Argue) going out to meet them.

Mr. Denis: What about the member for Bellechasse (Mr. Dorion)?

An hon. Member: Are you jealous?

Mr. Paul: No, I am not jealous. A moment ago the member for St. Jean-Iberville-Napierville (Mr. Dupuis) said he has received sheaves of letters. Well, so have I received letters, and I have been asked not to take up the matter with the government and to let the problem settle itself.

Mr. Chairman, it is about time that the people of Quebec had the opportunity—and there is now an opportunity—to rid themselves of Andre Laurendeau, editor-in-chief of *Le Devoir,* who in an article which appeared on February 22, enquired whether there were any Conservative members in this House of Commons. It is time that the people be rid of Andre Laurendeau, whose daughter delighted in strike duty in front of the Quebec legislature, and also of Rene Levesque, Mr. Chairman, the one who went to Russia and upon his return—

Mr. Dupuis: Mr. Chairman, I rise on a point of order. We are now being asked to vote funds for the C.B.C. This is no time to put the various C.B.C. producers on trial one by one.

Mr. Paul: That is precisely what I was dealing with.

Mr. Dupuis: I would ask the hon. member to show some respect for the producers.

Mr. Paul: I shall have something to say about them in a moment—

Mr. Fortin: Did you show respect for Rumilly a moment ago?

The Chairman: I would ask hon. members to please take their seats when the Chairman of committees rises.

I shall make my remarks both in English and in French.

In fact, we are wandering quite a bit from the motion under consideration. We have

wandered too far. I must warn hon. members of the house that their speeches should relate to the motion under consideration and that any attempt to get away from the motion will be ruled out of order.

I would also ask hon. members on both sides to refrain, where possible, from discussing personalities. The debate is on the matter of a $2,193,000, vote in favour of the C.B.C. and this has little to do with the people referred to by members on both sides.

(Text):

I should like to remind members of the committee that the point of relevancy applies to resolution 701. For the sake of avoiding endless repetition, such as we have had in this current debate, speeches which do not deal with the resolution from now on will be considered out of order.

(Translation):

Mr. Paul: Thank you, Mr. Chairman. When I see that today we are called upon to vote $2,193,552, I feel I am justified in arousing public opinion about the favouritism being shown towards certain C.B.C. performers.

We have heard our Liberal colleagues tell us, in a broken voice, about this strike, because they can see their pet stars facing a public reaction other than the one they had expected.

Mr. Chairman, I believe this amount of $2,193,552 should not be used to pay certain producers that I mentioned a moment ago, who unfortunately are the leaders of the C.B.C. producers while the producers themselves are the true victims of this strike and to whom I offer my heartfelt sympathy. I know that they cannot freely express their opinions because of the threats proferred by some leaders and organizers of this strike, but I hope that one day the producers who are sincere and who want to return to work, will finally be able to bring to their families what they need to lead a peaceful family life at home.

Mr. Chairman, this strike is a deplorable affair, but let us hope that common sense will finally prevail, and that once we get rid of Andre Laurendeau, Michel Chartrand, Rene Levesque, Jean Marchand and all these people, the C.B.C. strike will be settled to the satisfaction of one and all.

Mr. Denis: May I say just one word in this regard, Mr. Chairman? In the way of contradiction, this takes the cake! We have heard ministers contradict themselves, we have heard their supporters contradict themselves, we have heard one minister contradict himself and Conservative members contradict one another. We have heard the member for Berthier-Maskinonge-Delanaudiere (Mr. Paul) contradict himself. He claims, all in the same breath, that we have aroused the population.

Mr. Asselin: It seems to me, Mr. Chairman, that the hon. member for St. Denis (Mr. Denis) is straying a little too much from the matter under review. May I therefore suggest that you call him to order?

Mr. Denis: Mr. Chairman, in reply to this interruption, I submit that I am not straying from the subject. In any case, I am closer to the settlement of the strike than the Solicitor General (Mr. Balcer) is himself. I am talking about the contradictions that have been heard—

The Chairman: I would remind the hon. member for St. Denis (Mr. Denis) that we are now discussing item 701, involving an amount of $2,193,552. I therefore ask him, as well as other members, to remain within the subject under discussion.

Mr. Denis: I believe I was in order in making this statement, as I had to prove my assertions in connection with this vote. In fact, this strike has been going on for nearly two months now, and it has meant a considerable loss to the C.B.C., due to the fact that sponsors and advertisers cannot use the medium of television.

I now come back to the settlement of this strike. In my view, a settlement of this strike is a matter of public interest, even though the hon. Minister of National Revenue (Mr. Nowlan) wants to have nothing to do with it and claims it is illegal. The Solicitor General (Mr. Balcer) stated this afternoon that he does not want to get involved, as the matter comes under the purview of the Minister of National Revenue.

Mr. Balcer: I rise on a point of order, Mr. Chairman. I did not say that. I have been asked to report on the negotiations and I have refused to answer that question because it is the responsibility of the Minister of National Revenue.

Mr. Denis: Mr. Chairman, I refer again to the statement of the Solicitor General. As you realize, he does not say that he did not make that statement. Therefore, I quote the words he said in this house as reported in *Hansard*, page 242, of the English text:

You may be assured that we are following developments very closely—

Could the Solicitor General explain to the house and to the people of Canada what he meant by "we are following developments very closely."

Mr. Balcer: In answer to my hon. friend will I tell him what I mean by "we", that is, all those who are on this side of the house, and we are following the developments at this time, because we realize that the strike is a source of many difficulties for a great number of people. We are following the developments of this strike, but we are not trying to play cheap politics as our friends opposite are doing.

Mr. Denis: Does the Solicitor General feel that it is not cheap politics to deliver a speech as the one made by the hon. member for Berthier-Maskinonge-Delanaudiere?

Mr. Balcer: The policy of our friends on the other side is to criticize the C.B.C. and C.B.C. employees who owe their jobs to them.

The Chairman: I would ask the hon. member for St. Denis when referring to a speech made by an hon. member, not to accuse him of playing cheap politics. One may qualify a speech under the political aspect, but one must not impute motives to the one who is delivering it.

Mr. Denis: Mr. Chairman, I fully agree with you, and I believe your remark is directed to the Solicitor General rather than to myself. In fact, he was the one who stated that I was indulging in cheap politics. Mr. Chairman, in reply to a question put to him about the settlement of that strike, the Solicitor General said:

> Unfortunately, in the circumstances, I would not know what the future holds, and I cannot inform the house of what will happen, because the point raised is hypothetical, and I do not know what we shall be able to do in the circumstances.

This is a lot of words meaning very little. At all events, he said "I do not know", which means he is not following the matter closely. If he did, he would be aware of the situation. And if he were aware of the situation, he would know that the Minister of National Revenue does not want to deal with it. If the Solicitor General followed the matter closely, he would know that the right hon. Prime Minister (Mr. Diefenbaker) does not want to intervene any more than the Minister of Labour (Mr. Starr) wants to. Furthermore, he would also know that not a single French-speaking minister, apart from himself, has dared express an opinion.

Mr. Chevrier: And he did not say very much.

Mr. Denis: How is it that in a strike involving employees of the French network, it is an English-speaking member who defends their interests?

Mr. Balcer: I rise on a point of order, I would ask the hon. member for St. Denis to withdraw what he just said.

An hon. Member: Why?

Mr. Balcer: A remark like that about a member of the house cannot be tolerated.

Mr. Denis: I said nothing insulting or scornful about anyone.

The Chairman: I consider all this is out of order. Once again, I would ask the hon. members to stick to item 701, and stop this discussion which is altogether irrelevant.

(Text):

I declare out of order all present remarks and I demand all hon. members in this house to direct their discussion to item No. 701. Shall this resolution carry?

(Translation):

Mr. Loiselle: Mr. Chairman, I understand that we are called upon to vote an amount of $2,193,000 under this item. When you interrupted the member who spoke before me on a point of order, I was just reading the remarks made by the Minister of National Revenue (Mr. Nowlan) last Friday, in which he stated:

> It is an extremely difficult situation in which I find myself this afternoon. As hon. members well know, negotiations are going on at this very moment, or at least I hope so.

In my view, Mr. Chairman, if the hon. Minister of National Revenue was entitled to discuss the matter last Friday, I feel I would not be out of order in discussing it in general terms.

The Chairman: I repeat to the hon. member for St. Ann that his remarks must pertain to the vote under consideration. Otherwise, I shall have to rule him out of order, and he will have to give the floor to another hon. member.

Mr. Loiselle: In that case, Mr. Chairman, my remarks will be all the shorter.

It is utterly illogical to ask us to vote money for the C.B.C. at a time when most of its employees are on strike. I understand that a few employees are still at work, although certain newspapers say there are none, while others state there are some. For this reason, I wish to recall the question I directed to the Minister of Labour (Mr. Starr) on 29 January last, as reported on page 459 of *Hansard*:

Mr. Speaker, I wish to address a question to the Minister of Labour. In view of the discussions which have taken place in the last few days, is the minister now willing to intervene in the dispute between the Canadian Broadcasting Corporation and its producers in Montreal—

The minister's reply to my question was negative.

Then, I tried again to put the question to the Solicitor General (Mr. Balcer) and again, the answer was negative since, I was told, the question concerned the Minister of National Revenue.

Since we are dealing now with a matter under the jurisdiction of the Minister of National Revenue, I find it odd that he should not be in the house this afternoon. In fact, he was not here at the opening of the sitting. It is unthinkable that we should be discussing a matter which concerns the Minister of National Revenue, in the absence of the minister concerned, or of the Minister of Labour. In my opinion, the strike which has already lasted 45 days is important enough to warrant the attendance here of the ministers concerned.

I wonder if it is not because only the French network is affected that the strike is lasting so long? I wonder if the government would take a similar stand if the English network were affected by a strike—

Some hon. Members: Order!

The Chairman: Order! I am sorry to interrupt the hon. member for St. Ann (Mr. Loiselle), but I must say that his remarks are out of order. The estimates now under consideration have nothing to do with the English or the French networks, but only with the approval of a $2,193,000 grant. So, I ask the hon. member to deal only with the estimates now before us.

Mr. Loiselle: Thank you, Mr. Chairman. I will simply repeat what I said a moment ago, that it is unthinkable that we should be called to vote $2,193,000 for an agency whose employees are on strike, and this in the absence of the minister responsible for its administration. This situation is rather odd and I believe that this government is wrong in avoiding its responsibilities with regard to the present situation at the C.B.C.

(Text):

Mr. Martin (Timmins): Mr. Chairman, in dealing with this subject this afternoon many matters of considerable importance were raised but at this time I wish to refer specifically to the suggestion made by the hon. member for Berthier-Maskinonge-Delanaudiere. It is true that I perhaps do not interpret the French language correctly but I gather from his remarks that he was in fact suggesting a very great saving to the C.B.C. and to the taxpayers of Canada. He suggested this be done through the abolition of live television on the French network. It is quite possible that the hon. gentleman may not like some of the performers who appear on the C.B.C., either French or English, and it is also quite possible that there are some that I do not like but I certainly do not wish to abolish from television people I do not like because I want to know what I am up against and to watch them in action.

I should like to say, that I was really amazed that such a suggestion should come forward in this committee and particularly from a member who speaks the French language. As to the matter of saving that would accrue to the C.B.C., I do not think the people of Canada, either French or English, would appreciate very much the abolition of live broadcasting on the French network and the substitution therefor of films either from this country or any other country. If that subject matter ever comes up in this house certainly I will be one who will vote against it.

Mr. Chevrier: Mr. Chairman, I have a few remarks to make in connection with this matter which are prompted by what has already been said in the debate and by what has been said on a previous occasion by the Minister of National Revenue. I would, however, feel much better, and I am sure the committee would as well, if the two ministers were in the house. I would now ask the Minister of Finance, who is leading the committee, whether it would not be advisable to have the Minister of Labour and the Minister of National Revenue, both of whom are responsible for this matter, in the chamber at this time.

Mr. Fleming (Eglinton): Mr. Chairman, the Minister of Finance is responsible for endeavouring to pilot these supplementary estimates through the committee.

Mr. Chevrier: I noticed the other evening when I made the same request the minister at once advised me that the Minister of National Revenue was on his way down and that he would see to it that the Minister of Labour would be in his seat. In no time

at all both of them were in the house and I thanked the minister for having acceded to my request as he did. I hoped—

Mr. Fleming (Eglinton): I did not say anything about the Minister of Labour.

Mr. Chevrier: I had hoped the same thing would happen again. I do not want to say anything derogatory about either of the ministers, but I do want to make some objective and I hope helpful suggestions. They are prompted first by what the hon. member for St. Lawrence-St. George said in reporting on the present position as he did. He made a report on which we had already obtained some intimation from the press. From what he said and from the press reports we on this side of the house believe that a definite understanding has been agreed upon between the C.B.C. and the producers, and that the only issue which now remains to be settled is the return to work of the other unions and individuals who refuse to cross the picket lines or otherwise are not in a position to go to work.

While this issue on the face of it may appear simple, it is not as simple as it does appear because a great number of artists have only individual contracts with the C.B.C. During the dispute they were not in any way able to make up their programs and to appear on television because there was no technical staff available to produce the programs. It is generally recognized now that the present dispute between the C.B.C. and the producers related to a matter of principle and that principle is the recognition of the producers association. We understand that after 48 days of the dispute the C.B.C. has now agreed that the initial claim of the producers was fully justified. As far as we on this side of the house are concerned, we agree with that part of the statement made by the Minister of National Revenue that this dispute could have been settled in 30 minutes if the C.B.C. had recognized that principle from the beginning. We, therefore, cannot blame those unions which refused, or were unable, to cross the picket lines to support the producers in their claims.

But the point that I rose to make has to do with the untenable position in which the Minister of Labour finds himself. It is said by one hon. member, namely the hon. member for St. Lawrence-St. George, that he believes there is an understanding as between the producers and the C.B.C., and that is all to the good, but that there are other unions representing some 1,300 persons in number who are still negotiating and on behalf of whom the producers feel they should negotiate until such time as a final arrangement has been arrived at.

The point I want to make is this. The Minister of Labour has refused to intervene, I say incorrectly and unjustly, but now, if an understanding has been arrived at between the producers and the C.B.C., this is an entirely different dispute which has arisen, namely that of conciliation proceedings between the 1,300 represented by those other unions and the C.B.C. He must, therefore, of necessity intervene if he wants to deal with it effectively. Therefore, if he thinks he had a reason not to interfere before, which I deny, certainly there is no reason now because the same conditions and the same circumstances do not obtain. Before, the reason for non-intervention was that the C.B.C. was an agency of the crown, following the statement originally made by the Prime Minister who felt that he should not intervene in disputes such as this. To that we answered that intervention in programming, intervention in the administration of the affairs of the C.B.C., was one thing which should be avoided but that intervention to offer the good offices of the Department of Labour to settle a dispute was an entirely different thing, and that should have been done.

Now that these circumstances and these facts no longer obtain and the matter is one outside the purview, shall I say, of management, but one dealing with 1,300 other persons who are not producers, then surely it is now an obligation of the minister to offer his good offices in order to conciliate this difficulty. The whole background of the dispute, as I have tried to describe it, now makes the return to work of those unions a very important and, may I say, in some respects perhaps a complex issue. It has been discussed now, as I understand from the hon. member for St. Lawrence-St. George, for several days without any kind of settlement having been reached. Hence we think the only solution which would put an end to this long dispute would be to refer this issue to an outside arbitrator. I again appeal to the Minister of Labour, by virtue of section 56 of the Industrial Relations and Disputes Investigation Act, to come along and appoint an arbitrator who could settle this matter. I am confident that if the government at last decides to do that, when the arbitrator makes his recommendations all persons concerned in the dispute—and I am sure hon. members would welcome such an appointment—the matter could be resolved.

Let me say this final word to the minister. I do not want to hold up the estimates any longer. This matter has been allowed to drag too long. I am not going to lay the blame on anybody today. I want to avoid that. I say that in order to have it continue no longer—

because if it is a complicated matter as to salaries and other things it might drag on for a matter of days, weeks or more—the government should appoint an arbitrator by virtue of section 56 of the Industrial Relations and Disputes Investigation Act and the arbitrator could conciliate such matters. All those men could then go back to work and we could get on with the nation's business.

Mr. Martin (Essex East): Is the Minister of Finance not going to deal with the question put by the hon. member for Laurier? He asked that in a matter of this sort the Minister of Labour and if possible the Minister of National Revenue be in their seats. The Minister of Labour was here earlier today. He undoubtedly has heavy preoccupations at the moment but those could be suspended in view of the importance of this matter. The hon. member for Laurier is entitled to receive an answer from the minister to the question he put. The Minister of Finance is a knowledgeable man. We all admit that fact. There is perhaps no one else sitting on the ministerial benches who has as wide an understanding of the problems of government. But he would be the first to admit that in the matter of labour-management relations and particularly in the matter of conciliation possibly he is less adept. On that account I think he owes it to the committee to tell us whether or not the whip will be given instructions to ask the Minister of Labour to come here in order to see whether we cannot make some progress toward the authorization of the mediation or conciliation facilities of the Department of Labour for the purpose of resolving the matter that now has been going on for over 45 days.

Mr. Pallett: Mr. Chairman, I do not think the record should be allowed to remain showing that the Minister of Labour has not been in the house. He has been in the house for most of the time.

Mr. Martin (Essex East): I am sorry, but I did not say that. My hon. friend is quite wrong. I was not charging the Minister of Labour with dereliction of duty. I said that he had been in the house earlier, that he was not now in the house and that undoubtedly he was out of the house for good reasons. That is what I said. I am sure that when the whip reads *Hansard* he will find that is what I said.

Mr. Fleming (Eglinton): Mr. Chairman, we are dealing here with supplementary estimates and have been doing so. This is the third day. It is the custom of the house on such matters for the Minister of Finance to conduct the supplementary estimates through the committee except on occasions when they are considered along with the main estimates. The item immediately under consideration is one respecting the Canadian Broadcasting Corporation. The Minister of Labour has nothing to do with this item. If the Minister of Labour were in the house the situation would be the same for this is not an item in which the Minister of Labour would be involved.

We are dealing here with an item affecting the Canadian Broadcasting Corporation. Last Friday, a day and a half of debate ago now, I gave an explanation of this item and of how it comes about. It comes about simply because when the change was made by legislation last November in the organization of the corporation that conducts the national system the statutory provision under which the proceeds of the excise tax on receiving sets and tubes went to the Canadian Broadcasting Corporation was repealed and it is necessary to make an alternative provision. The amount which the committee is asked to approve is simply the equivalent amount in order that the corporation may not be deprived of its revenues. It does not mean any increase in taxation. It does not mean any increase in expenditures. It is simply a means of providing that which the corporation would have received but for the change made in the legislation last fall.

I have been asked by the hon. member for Essex East now to become involved in a debate that has been going on for two days. Mr. Chairman, if ever a subject had been discussed until it was threadbare, surely it must be this question. We have heard it discussed by every hon. member of the house who seems to have any interest, close or remote, in the subject; and it has been discussed by some members time and time again. With great respect, Mr. Chairman, may I say that we have had repetitious speeches.

I now ask this committee whether the time has not come when we can proceed with our business. We have a good many items yet to pass. Some days ago we were asked to expedite the introduction in the house for discussion of items of business relating to measures to meet the problem of unemployment. Mr. Chairman, here we have item 709 which deals with the winter works program. We are now in the position of having spent three days in discussion of an earlier item and we have not yet reached the item dealing with the winter works program. At the rate we are going I do not know how many more days will pass before we reach it. I make this appeal to hon. members. Surely this present subject has been discussed until it is threadbare. I have no intention whatever of being drawn into the kind of discussion that has been going on here this afternoon. I ask members of this

committee whether they do not think the time has come when, this subject having been so thoroughly discussed, we can pass on and make progress—

Mr. Martin (Essex East): The Minister of Labour is here in the chamber now.

Mr. Fleming (Eglinton): —and transact the business that remains before us in these other items, some of which are of great importance.

Mr. Chevrier: I should like to say just one word with respect to what the Minister of Finance has said and it is this. We are dealing here with an item which has to do with the operating deficit of the radio and television services. It has to do with the vote of the house for money purposes in the amount of some $2 million. While we are discussing these matters I would remind the Minister of Finance that we have the right to inquire into any phase whatever of any of these matters, notwithstanding what the minister has said.

I am glad that the Minister of Labour has come into the chamber. I should like to ask him whether he would not be good enough to reply to the suggestion which I have made. If he will allow me to do so, I will make it just as briefly as I can without being repetitious. While the minister was absent from the chamber the hon. member for St. Lawrence-St. George reported upon the position of the negotiations in the matter now under dispute. He stated in effect that an arrangement or at least an understanding had been arrived at between the producers and the C.B.C. but that no arrangement has been made in so far as the other unions and the C.B.C. were concerned. He went on to state that was a matter which might well take time.

The point that I made in the absence of the minister was this. If the minister had the right of non-intervention earlier—something which I deny—if he was right in saying that he should not intervene in a dispute between the C.B.C. and the producers—something which I deny—now that the dispute embraces a larger field and goes into the field of unions outside the scope of the producers and outside of management, as it were, my suggestion was that, in my opinion, it would become more difficult for the Minister of Labour to refuse to intervene in order to bring about a settlement.

I therefore made this suggestion in all sincerity, Mr. Chairman. I made this suggestion because I fear that the negotiations are going to take some time, according to the report which we have received from the hon. member for St. Lawrence-St. George as well as press reports. I may be wrong; I hope I am wrong. But suppose the negotiations take longer than is anticipated. Is it not better to try to get these people back to work as soon as possible? The suggestion I made was that the minister give consideration to intervention in this respect, namely by the appointment of an investigator who would negotiate the present difficulties as between the 1300 people represented by the unions and the C.B.C., in the hope that the members of the unions involved could go back to work at once and then we could carry on with the nation's business. I therefore ask in all sincerity if he will not give consideration to this suggestion and, if he will do so, what is his reaction to it.

Mr. Starr: The people about whom the hon. member for Laurier is talking—I must say I am not going to point my finger at him after what he said because it would be a little dangerous—have a collective agreement, and in that collective agreement there is a provision for the airing of grievances. Whatever grievances they have in respect of this matter can be ironed out under that provision.

Mr. Chevrier: Will the minister give the terms of that provision so the house would know it?

Mr. Starr: I have not a copy of the collective agreement here.

Mr. Martin (Essex East): Will the minister not enlighten the house by explaining why he feels as Minister of Labour that he cannot take any position other than the one he has taken here. How does this situation differ, for instance, from a strike involving the Canadian National Railways? In such a case the Department of Labour, after the cooling off period had ended, would use its good offices, its conciliation procedures and personnel. This strike has extended over a period of 45 days. We have been told by the minister that his stand is such that mediation through that particular vehicle is not to be employed. Now, I have restrained myself in connection with this matter.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): As one who has been interested in labour matters for a long time, and as one who has had some experience in the Department of Labour, I have restrained myself in an attempt to understand exactly what was the position of the minister. I have no doubt that if this matter were left to the Minister of Labour himself, regardless of the attitude of his colleagues, he would take precisely the steps that have been recommended by the hon. member for Laurier and that are implied in what I am

now saying. He would not have intervened at the beginning. He would have allowed the process of negotiation to proceed, but having proceeded for an undue time, he would then have sought to bring the parties together, not for the purpose of imposing his view on them but for the purpose of using the facilities at his disposal and the experience of those officials to arrive at a settlement.

That is what the hon. member for St. Lawrence-St. George was seeking to do. Are we not now presented, as a result of the attitude of the government, with the inadequacy of the suggestions made by the government in this instance? I think that the Minister of Labour must give us an explanation of why he feels as Minister of Labour that he should not authorize his officials to act. He well remembers in the case of the railway strike how hard he worked, and how hard his officials worked, to try to bring the parties together. Finally, when they could not get together, the suggestion made by the hon. member for Laurier was adopted in that instance and an arbitrator was appointed. When the Minister of Labour sits by day after day giving an indication that he does not propose to intervene, his action I believe is open to only one interpretation. It is not because he does not want to, it is because his colleagues, for some reason or another, have taken the position that he should not.

If they have taken that position, they have put the minister in a very unenviable position and one which he does not deserve, both in terms of his record on these matters and in terms of his well-known views as to the means by which disputes of this kind are settled. I invite the minister to take advantage of the friendly attitude I have taken in this matter, and to really take unto himself a position which has been pre-empted by a private member of this house. If this situation is allowed to go on it gives a firm indication that this government does not understand what its obligations are in this matter.

Mr. Starr: I presume, Mr. Chairman, that the hon. member for Essex East in making his remarks was referring to the unsettled situation respecting the 1,200 union members who have been out. I assume that because today the hon. member for St. Lawrence-St. George did report to this house that agreement had been reached between the producers and the C.B.C. The only point at issue remains the 1,200 people.

If he refers to that then most certainly when he talks about conciliation procedure and so on he reveals that his education in the labour department must have been very limited because the conciliation department only comes into the matter upon the request of both parties concerned where they are negotiating a new agreement and after the termination of an old agreement.

[Mr. Martin (Essex East).]

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

Mr. Starr: This situation does not refer to the one which the hon. member for Essex East tried to convey to this house.

The Chairman: I have mentioned before that the discussion must be relevant. The point which has been raised by the hon. member for Essex East and the answer made by the Minister of Labour deals directly with the administrative procedures of the Department of Labour and are not, therefore, relevant to the item under discussion. I must declare this discussion out of order, and I must ask hon. members to confine their remarks to this item 701.

Furthermore, there have been a great many repetitious speeches made for one purpose or another on this particular item. Perhaps hon. members have strayed too far afield and perhaps politics have entered into this matter. I must remind hon. members that I will immediately ask any hon. member to resume his seat if he repeats what has been said before or if he makes a speech of a repetitious nature. We must realize that we are discussing one particular item and we will never proceed with the business of this house if we do not adhere to the discussion of this item. Therefore, I ask hon. members to please be relevant. Shall item 701 carry?

Mr. Pearson: In connection with the point you have just raised, Mr. Chairman, as you have pointed out we are discussing a supplementary estimate to provide $2,193,552 for the Canadian Broadcasting Corporation in respect of the operations of that service. With all respect I should like to suggest that anything that is going on now that interferes with that service would surely be very pertinent to this particular vote that we are called upon to make to the Canadian Broadcasting Corporation. I think anything that interferes with the operations of the C.B.C. is relevant and pertinent to this particular vote. I take it Your Honour would not interfere with that kind of discussion.

Mr. Chevrier: There is one thing I feel I should mention. It has come about as a result of the statement which the Minister of Labour has just made in answer to the suggestion I made concerning the appointment of an investigator to deal with this dispute. If I understood him, he said that that was already provided for—I hope the minister will follow me—

Mr. Starr: I said it was reported to this house by the hon. member.

Mr. Chevrier: No, the minister in reply to my suggestion said that provision was already made in the contract for the settlement of the dispute. I asked him if he would point to the particular clause, and he said that he did not have it. The point that I desire to make now is that the proceedings which the hon. minister refers to—

Some hon. Members: Order.

Mr. Chevrier: Mr. Chairman, I consider I have a right to make this intervention at this time, and if hon. members want to interrupt me I shall appeal to the Chair. The point I desire to make is this. While the minister is correct in saying that there are in the contract provisions for negotiation, and perhaps arbitration, I want to point out to him that that is not a grievance falling under the collective agreement. Therefore the answer which he has given does not relate to the circumstances as they are found today. I submit again with deference that the minister give consideration to the appointment of an investigator under the disputes investigation act. If he did that, then with one stroke of the pen all these people would go back to work, and that is all we are asking for.

Mr. Chairman, I have a request to make of the leader of the house at this juncture. That request is that in view of the discussion we have had, and in view of a number of questions which I would like to ask not only of the Minister of Labour but the Minister of National Revenue, this item be allowed to stand, and that while the item stands perhaps it would be possible to arrive at a satisfactory conclusion to the negotiations.

Mr. Fleming (Eglinton): Mr. Chairman, had that request been made when we reached this item last Friday, of course it would have been assented to at once. As a matter of fact, I even suggested to my hon. friend from Laurier then that if he wanted any variation in the order in which these items were to be called, if he would let me know we would arrange that. This item was called last Friday and was discussed here all that day. Here we are again today discussing the same matter. It has been discussed threadbare time and time again. We have had all sorts of repetitious speeches. We have gone over the same ground again and again, traversing the same subject matter. To ask the item, to stand at this stage, I think, is a most unreasonable request.

May I draw your attention, Mr. Chairman, once again to the fact that as a result of the liberties which have been taken with discussion in this debate when some members have extended it beyond the proper scope of discussion even in the face of what you have said. The fact is that we have departed from the proper basis of discussion of estimates. The proper basis for discussion of estimates, as the hon. members opposite me know, is not that we have a full-ranging debate with all members on the government benches being drawn into it. The minister in charge pilots the item through. That is what we have been trying to do here, but hon. members opposite have been endeavouring to draw some ministers into this debate in connection with matters not pertaining to the administration of their departments. With respect, I ask that hon. members recall here that we are dealing with an item affecting the Canadian Broadcasting Corporation. It is not that of the Department of Labour or some other department, but it deals with the Canadian Broadcasting Corporation, and I ask the committee, it now having discussed this question so thoroughly, to proceed and let us get on with the other business which lies before us.

Mr. Pickersgill: Mr. Chairman, I had not intended to intervene at all in this debate, and I am prompted to do so only by the lecture which has been given to the opposition by the Minister of Finance, in his characteristic style. The minister seems to forget, as he was so fond of reminding his predecessor when the minister was on this side of the house, that the ministers in this house in committee of supply are suppliants asking for money to be granted to the crown for specific purposes. The minister is asking on this item for over $2 million, which we have to vote, and which any conscientious member of this house has a perfect right to object to voting. No hon. member should be gagged, and no attempt should be made to gag him. My submission is that at the present time the service for which we are being asked to vote this money is not being given to the Canadian people. That is the point. We are being asked to vote $2 million for a service which is not being given or provided. That is the issue, and when my hon. friend from Laurier, in a very respectful way, in order to assist the government in getting on with the business—

Mr. Starr: We do not want his assistance. We can manage without him.

Mr. Pickersgill: This almighty, all-powerful government needs no help from parliament.

Mr. Starr: The hon. member—

The Chairman: May I ask the Minister of Labour to take his seat. I must also ask all hon. members to please take their seats while—

Some hon. Members: Oh, oh.

The Chairman: —I am on my feet. All discussion which is not relevant to item No. 701 is completely out of order. If the debate now proceeding relates to item 701 or to the details which appear on page 5, the debate will be in order; otherwise the debate is completely out of order, and I cannot justify the remarks which have just been made by the hon. member for Bonavista-Twillingate. With all due respect to the Leader of the Opposition, I must tell him that if the debate relates to the item under discussion at present such remarks will be in order. Otherwise they cannot be accepted by the chair. I must therefore ask hon. members please to take due note of the remarks I have just made, and to limit their remarks to the item under discussion.

Mr. Pearson: Mr. Chairman, I must ask your guidance on item 701, which deals with the operation of the Canadian Broadcasting Corporation. I take it, therefore, that any subject which concerns that operation will be in order under the grant of money we are being asked to vote?

The Chairman: It is quite true that item 701 deals with a grant of money concerning the operations of the C.B.C. We have had in this house today debate as to whether ministers should or should not be in their seats when remarks are made to them. Speeches have been made referring to the fact that the situation would not be the same if the problem related to the English network rather than the French network. There has been debate concerning every conceivable item except the one under discussion. I repeat once again that if the remarks are confined to the item under discussion, the details of which appear on page 5, they will be in order; otherwise all speakers will be out of order.

Mr. Pickersgill: Mr. Chairman, if I may now resume my remarks about the operation of the French television network of the Canadian Broadcasting Corporation, for which the government is asking us to vote this money, which money we feel we should not be asked to vote until the government has made a sincere effort to get those operations resumed. It seems to me that nothing could be more relevant. Here we have a service for which millions and millions and millions of dollars of the taxpayers' money are being spent, and the service for one-third of the population of this country is at the present time not being provided. It is our submission on this side of the house that a large part of the fault for the failure to provide that service rests upon Her Majesty's ministers, and that is the position which we have taken all along.

I submit, further, that the last time this matter was before the committee the Minister of National Revenue made a very extensive and provocative speech upon this very issue. It does seem to me that this is a strange kind of parliament in which a minister can make provocative speeches and the opposition is forbidden the right to advance arguments on the point.

The Chairman: Is the hon. member from Bonavista-Twillingate speaking on a point of order or on the estimate?

Mr. Pickersgill: I am speaking on the estimate and I am saying that for 44 days, that is to say, if my arithmetic is correct, for about one-eight of the year, this service has not—

The Chairman: I would remind the hon. member that the item refers to the anticipated operating deficit of the radio and television services only. I therefore declare his present remarks out of order.

Mr. Pickersgill: I shall go on to make some further remarks and I shall endeavour as far as my understanding will permit to bring them completely within the rules of order. Your Honour has said that this amount is for the operating deficit. I suggest to you that this amount may well prove entirely inadequate to meet the operating deficit which is likely to be incurred in connection with the French language television service because of this regrettable stoppage. As my hon. friend from St. Denis pointed out earlier today, the failure to provide these programs is depriving the C.B.C. of very considerable commercial revenues and it may well be that before the fiscal year is ended, or soon afterwards, the minister will have to come back and ask us to vote even more money for this service because of the failure of the government to do anything about this problem during the last 44 days. That is surely the point, and surely it is completely relevant to the question before the house. It does not matter that the minister, or one of the ministers, by recommending a change in the law last year has put the Minister of Finance in the embarrassing position of having to ask us to vote this money. The government is responsible to parliament and is answerable for this service and it is the duty of this government to answer the question raised by members who have been elected by the people.

I did not take any part in this debate earlier because the subject is of no direct concern to me, and of even less concern to my constituents but it does seem to me that a very important point of principle has arisen here this afternoon and I say again that I feel it would be in the interest of parliament, in the interest of good government and in the interest of good order if the minister would reconsider the very reasonable request made by the hon. member for Laurier and agree to have this item stand over now in the hope that within the next 24 or 48 hours this regrettable situation can be ended. I am sure that if this were to happen there would be no further discussion of this item. I join with the hon. member for Laurier in an appeal to the minister to be conciliatory for once. Let him be reasonable for once and allow this item to stand so that we may proceed with the other urgent business the minister is at least as anxious as we are to complete.

Mr. Chevrier: Mr. Chairman, I should like to address a question to the Minister of Labour in connection with this matter. Is the Minister of Labour in a position to confirm the statement which has been made by the hon. member for St. Lawrence-St. George concerning the present position of the negotiations?

Mr. Starr: I am accepting the report of the hon. member for St. Lawrence-St. George, and I heard it in the same way as the hon. gentleman did.

Mr. Chevrier: I thank the hon. minister for that answer. May I pursue the matter a little further and ask him this: in view of the fact that the hon. member for St. Lawrence-St. George has stated that there seems to be an understanding between the C.B.C. and the producers, and that the other matter is under negotiation, will the Minister of Labour now give consideration to intervening with regard to the latter part of the dispute?

Some hon. Members: What for?

Mr. Chevrier: I should like an answer to that question.

Mr. Starr: As I have tried to explain, there is an existing collective agreement between those people who are affected and the C.B.C., and there is provision in such agreement for the appropriate procedure to be followed. This is one of the things which can be taken up with the management in an effort to reach a solution. At a later date, after there has been a return to work and efforts have been made to iron out an agreement, if a request is made to the Department of Labour for someone to sit in on the discussions in order to help bring about a settlement there would be no objection.

Mr. Chevrier: But I am informed by the minister's own officials that the procedure which the minister has just outlined applies to the contract which was signed heretofore but does not apply to the present dispute; in other words, there is a new dispute and therefore the suggestion which the minister has made does not apply. Is that correct or not?

Mr. Starr: I still do not know whether the hon. gentleman understands which contract he is discussing. Is he talking about the collective agreement between the 1,200 members of the staff who refused to pass the picket line, or is he talking about the agreement between the producers and the C.B.C.

Mr. Chevrier: I am talking about the former and not the latter. I said that clearly in my earlier remarks. That is the matter in which the minister has already stated he would not interfere. With reference to the other matter—that concerning the 1,300 employees—I was saying that since this is a matter between the C.B.C. and its staff it is in a different position from that which he stated, and would he not now give consideration to intervention in the latter part of the dispute.

Mr. Starr: I have already said that to my knowledge there is an existing collective agreement and there are provisions in this agreement for the settlement of this matter.

Mr. Chevrier: I have a number of questions I should like to put to the Minister of National Revenue, but he is not now here and I am appealing to the leader of the government now to allow this matter to stand for the purpose I have mentioned earlier.

Mr. Pearson: Mr. Chairman, had the Minister of National Revenue been here I should have liked to have commented on the speech he made on this subject last Friday. At that time he made a comprehensive statement in committee on this particular estimate as reported on pages 775, 776, 777, and 778 of *Hansard*. In the course of this statement—and no one objected to its being made—the minister referred to the circumstances under which the strike arose and referred to certain features in connection with it. He said, as reported on page 777, that he intended to give something of the background to this strike and, indeed, he went into great detail. We

thought that was quite a proper thing to do, though we might not have agreed with what the minister said.

This statement aroused a great deal of interest on this side of the house and we had looked forward to asking some questions and making some comments with regard to it. Unfortunately the minister is not here this afternoon. With regard to one of the matters about which I should have liked to have inquired perhaps the Minister of Finance could be helpful. In any case, he might be able to pass the question on to his colleague. My question is this: whether the strike has resulted in a loss of revenue to the C.B.C. and in an increase of expenditure by the C.B.C. to such a point—as was suggested by my colleague the hon. member for Bonavista-Twillingate a few moments ago—that an additional supplementary estimate may be required. That surely is a very reasonable question to ask the minister in connection with an estimate of this magnitude for the operations of the C.B.C. which are so seriously affected by this situation.

Mr. Fleming (Eglinton): It would be quite impossible to say now what will be the eventual effect on the revenues or expenditures of the corporation as a result of this strike. Suffice it to say that the amount the committee is asked to appropriate here is the amount it has already appropriated at the last session of parliament, has already approved both in principle and in amount. The committee is not asked to provide any money additional to what it has previously provided nor to approve any departure in principle from that which the committee has already approved on a previous occasion.

Mr. Robichaud: Before this item is carried, Mr. Chairman, I wonder if the minister could state to the committee what portion of the sum of $2,193,552 is spent to cover salaries of the employees of the C.B.C. and also what portion is spent to cover salaries of the producers?

Mr. Fleming (Eglinton): Mr. Chairman, it is not possible to break this item down in this fashion any more than the preceding item was broken down. As my hon. friend will have no trouble in learning by reference to the estimates introduced in the last session, this is a block item. It is applied to the entire operation of the C.B.C., its operation of the national network service, both radio and television. I have already explained that this item is one already voted by the house under the general provisions of the statute under which the revenues from the excise tax on radio receiving sets and tubes went to the corporation.

[Mr. Pearson.]

The Chairman: Shall the item carry?

Mr. Martin (Essex East): No, Mr. Chairman.

Mr. Fleming (Eglinton): More obstruction.

Mr. Martin (Essex East): My hon. friend says, "more obstruction". Does my hon. friend think that is the way he is going to encourage us to accept his suggestions? We are a small group on this side of the house but my hon. friend may be certain of one thing, that no suggestion from the ministerial benches to the effect that we are obstructing simply because we seek to assert our rights is going to further progress in this house.

Mr. Fleming (Eglinton): We have had two days of it already.

Mr. Martin (Essex East): We on this side cannot be accused of obstructionism simply because we seek to do our duty. My hon. friend is the last man in this house who should say that.

The Leader of the Opposition has pointed out that the Minister of National Revenue made an extended statement on this matter covering all aspects of the strike and giving his interpretation of it. The Leader of the Opposition said that he would like to have had the opportunity of putting questions to the Minister of National Revenue arising out of that statement and the hon. member for Laurier took that position, too. I would urge the Minister of Finance in a moment now of deep conciliation and understanding to accept the suggestion of these two hon. gentlemen. We have questions to put on this matter. Can my hon. friend tell us when we will have an opportunity of putting further questions and receiving answers to those questions. He asks us to help him and dispose of this item. We are not unwilling to help him provided we are given an opportunity of complying with what we think in this matter is our duty. What opportunity will be afforded us to put further questions? If this item passes there will be no opportunity except on orders of the day of putting questions to the ministers and under the practices of this house they will have the right, if they want, to refuse to answer.

In the absence of a willingness to let this item stand the hon. gentleman knows perfectly well that this request to us is one that cannot possibly be accepted by any responsible opposition doing its duty. I ask the Minister of Finance again if he does not think he will further the passage of his supplementary estimates by acceding to the request of the hon. member for Laurier?

I invite the Minister of Finance to remember one occasion when passing my own estimates I was confronted with almost

exactly this situation and I persisted in refusing the request of my hon. friend to place before the house certain statements about estimated and actual expenditures. He will recall that occasion and he will also recall how finally, having made the mistake that he is now making I acceded to the request and the result was that my estimates were passed very quickly. I ask my hon. friend to remember that particular occasion and to accede to the request put by the hon. member for Laurier. If the minister fails to do so he forces us into the position of continuing this discussion as the only means by which we can hold this matter open to give us an opportunity of discussing a question which is of the greatest importance.

Mr. Chevrier: Mr. Chairman, I should like to discuss the questions I have to direct to the Minister of National Revenue. Because he is not in this place and in order to establish the basis for them I shall have to refer back to the statement made by the Minister of National Revenue as reported at page 776 of *Hansard* of February 6, 1959, when he gave the impression that the producers walked out on the C.B.C. The minister said on that occasion:

> Then on December 29, at nine o'clock in the morning, a conference started between representatives of the producers and the representatives of management and that conference went on during the day. There were breaks for discussion with the principals, breaks for luncheon, of course, and all the rest of it. Then at five o'clock in the afternoon the picket lines were marching around the C.B.C. building. The ultimate weapon, the last weapon, the last weapon that should have been used, was brought into play on the first day.

And the strike started. What I would like to ask the minister is if he has seen the brief prepared by the producers which was placed in the boxes of all hon. members of parliament and which deals with this very subject, not in the manner in which the minister dealt with it but in an entirely different manner. I shall not take the time of the committee as I very well could by reading what is contained at page 5 of the brief but I shall summarize it in this fashion.

The brief clearly states the manner in which the negotiations and the proceedings leading up to the last negotiation were brought to an end. The brief states that the first interview between the producers and the C.B.C. took place on December 11. The brief goes on to indicate that a second meeting occurred on December 19 and a third on December 20. They met again on December 23 and Mr. Andre Ouimet was informed of the result of the secret vote authorizing the producers to interrupt the work. The brief states there was no answer to that communication until December 29 when, after a long meeting with no progress being made, it was then decided to walk out.

The question I ask the minister is this. In view of the statement which he made at page 776 of *Hansard* has he not taken cognizance of page 5 of this brief which is a complete answer to his statement and will he not make a statement to the house at the first opportunity dealing with that part of his remarks?

Later on in the course of his remarks the minister stated that if top management at Ottawa had been advised the strike would have been settled in thirty minutes. According to the information I have at my disposal, and which again is to be found in the brief, it is quite true to say that top management of the C.B.C. in Ottawa were not properly informed of the situation which had developed in Montreal during the month of December. But it would have been improper for the producers to bypass the C.B.C. officials in Montreal and make contact with top management in Ottawa.

The next question I would like to ask the minister is this: Is it not a fact that in view of his statement he would have considered it quite improper for those people in Montreal to refuse to talk or to give the result of their discussions with C.B.C. officials in Montreal instead of coming on to deal with top management, as he said, here in Ottawa? If top management in Ottawa was not informed of the situation, then I have only one conclusion to come to and it is that the local management in Montreal is the one which perhaps should be blamed for the producers being here.

I would like to get the reaction of the minister to my question. It would seem to me that the conduct of those who were dealing with the Montreal group was right, and it was proper for them to continue to deal with the Montreal group. On the contrary, it would have been most improper for them to somersault or jump over the Montreal group and come to Ottawa for discussions unless, of course, they had been invited so to do by the minister. Therefore, I invite the minister to comment on this second point.

There is another question which I should like to address to the minister because he said on a number of occasions that the producers knew full well what they should have done. He made it quite clear that they should have gone to the labour relations board and there get certified in the usual way. I could get the reference to that in *Hansard* very quickly if need be, but I want to point out to the minister that there are at least two unions in the C.B.C. which have not been

certified by the labour relations board but which have been recognized by the C.B.C. through direct negotiations. Therefore, there is no point in making an exception of the producers by saying to them, "You have to go to the board". In the face of that situation, I ask the minister why he should direct the statement which he did to the C.B.C. when there are, as I say, at least two other unions in the same position.

I come back to the original submission which I made, Mr. Chairman. I ask the Minister of Finance to reconsider the answer which he has given in order that we might have an opportunity to ask further questions if we so desire and I suggest to him once again that he allow this item to stand.

The Chairman: Shall item 701 carry?

Mr. Dupuis: I would like to ask a few questions but I would like the minister to answer the questions of the hon. member for Laurier first.

Mr. Fleming (Eglinton): These matters have all been dealt with; they have been discussed in this debate many times. My hon. friend is just asking me to say things that have been said before and to open up this matter all over again. I must decline with thanks.

Mr. Chevrier: The three questions which were asked are three new questions arising out of the discussion which took place the other day.

Mr. Fleming (Eglinton): They may look new to my hon. friend but I doubt whether they look new to the majority of the members of this committee.

Mr. Eudes: Can the minister inform the house what portion of this grant of $2 million odd is to cover the deficit of the French television network in Montreal?

Mr. Fleming (Eglinton): I have already explained that matter very fully. I am sorry if my hon. friend was not in the house or did not follow what I said. It was made perfectly clear.

Mr. Denis: Mr. Chairman, surely they must have some records to show what the deficit was in Montreal for the month of January, 1958, compared with the month of January, 1959, so we can get an idea of the consequences of the strike we are discussing. After all, we are passing an item to cover a deficit. We would like to know whether the deficit will be higher this month than it was last month. Maybe we will be short of money; if the strike lasts for months and months how far will this amount of money take you?

[Mr. Chevrier.]

Mr. Fleming (Eglinton): That was all discussed half an hour ago.

Mr. Robichaud: Mr. Chairman, we have this afternoon a minister who is refusing to answer questions asked by members on this side of the house. The fact that this item was voted at the last session does not justify the minister in refusing to give us information which we want now. Conditions have changed since the estimates of the Canadian Broadcasting Corporation were discussed in this house. Conditions today are certainly different from what they were then. At the present time a certain number of French producers are on strike. It is unfortunate that the minister responsible for the C.B.C. is not here this afternoon to answer these questions.

Mr. Fleming (Eglinton): You know he is ill, don't you?

Mr. Robichaud: I have other questions to ask. If he is ill that is one more reason why this item should be allowed to stand. It is not fair to hon. members to ask this committee to vote over $2 million without any information as to what this amount of money will cover. I repeat, the fact that we did not ask for these details at the last session is no justification for the position taken by the minister. I know that the minister said a few days ago—and he repeated it today—we are talking about everything under the sun in order to prevent reaching a discussion of the winter works program. Mr. Chairman, when such an attitude is taken by a minister of the crown, a member of a government whose Prime Minister is the advocate of a bill of rights, I say it is not right. We have a right to get information and that is what we are trying to do this afternoon, and information is being refused us.

Mr. Cathers: You don't want any information.

Mr. Robichaud: A remark was made on the other side of the house that I do not want information. I have a question which I wanted to ask the Minister of National Revenue. We are voting money for the operations of the Canadian Broadcasting Corporation. Last July or August the minister announced in this house that steps were being taken to extend the French television network to Moncton and to certain other sections of New Brunswick. I wanted to find out at this time what progress had been made. We understand we are to be advised that nothing has been done in this regard. I think we have the right to get some information.

Mr. Brassard (Lapointe): I have one question to ask the Minister of Finance. I should like to know why he refuses to allow this item to

stand. I think the opposition members have a right to an answer to the questions they have put to the Minister of Finance and to the Minister of National Revenue. They have put them in a constructive way.

Some hon. Members: Oh, oh.

Mr. Brassard (Lapointe): I hear some laughter. We are getting accustomed to hearing members on the government side laugh when we discuss some very important problems in this house. I was here in 1956 when a certain debate took place in this house and the one member who was the most critical about the rights of parliament being not treated very well by the government was precisely the one who is today the Minister of Finance in this house. I should like him to answer my question if he cares to do so. Why would he not allow this item to stand until the Minister of National Revenue comes back to the house?

Mr. Fleming (Eglinton): Mr. Chairman, I suppose this discussion can go on and on in this way if my hon. friends want to keep on spinning it out. The fact is that the reasons have already been given and, in my opinion, in a reasonable manner. We have had two days' discussion on this matter. We have been over all these matters and we are just going over them again.

An hon. Member: We have received no answers.

Mr. Fleming (Eglinton): Having regard to the important business that is waiting to be done, my hon. friend wants to keep this thing going indefinitely. He says the matter should be left over and kept going indefinitely.

Mr. Chevrier: No, he does not ask that; he asks that the item be allowed to stand.

Mr. Fleming (Eglinton): We must get some other items passed.

Mr. Chevrier: Let it stand.

Mr. Fleming (Eglinton): Mr. Chairman, I thought I was asked a question by another hon. member.

Mr. Chevrier: I am sorry.

Mr. Fleming (Eglinton): There will be plenty of opportunities for the discussion of C.B.C. matters during the course of the session when we come to the estimates for the next year and whatever steps are taken for the annual review of C.B.C. operations. There will be plenty of opportunity then for hon. members to go into these matters to their heart's content. But so far as this present item is concerned, we have had the explanation given time and again as to what it is for. Hon. members understand it perfectly well. But there is a desire to discuss something else and to keep this thing going. I cannot prevent hon. members from keeping it going if they want to do so, Mr. Chairman. But I appeal to the good sense of the committee and ask hon. members to have regard to the fact that nothing new is coming out of this discussion and that no good purpose is to be served by keeping a discussion like this open endlessly simply by repetition. The questions that have been asked in search of information have been answered. The committee is fully in possession of the information relevant to this item. I think hon. members are aware of this fact. I can only repeat the appeal that I made earlier, namely that we proceed with the important business which is waiting to be done and which is being held up in the meantime.

(Translation):

Mr. Dupuis: Mr. Chairman, I quite understand that the Minister of National Revenue (Mr. Nowlan), being ill, could not answer our questions today. Nevertheless, we simply claim the right—

The Chairman: I must point out to the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) that if he wishes to speak, he must do so from his place.

Mr. Dupuis: Mr. Chairman, I do not think it is necessary to do so when the house is in committee, but since you insist, I will go back to my desk, if you will give me a minute to do so.

Mr. Chairman being back to my seat, I must say that we are sorry that the Minister of National Revenue is not in the house at this moment to answer our questions. All we ask is that the government let us wait until the hon. minister's return, before we approve this important item, before we vote millions of dollars to the C.B.C., without having the information we are asking for.

There are three questions I should like to ask—

(Text):

Mr. Grafftey: Will the hon. member permit a question? In a prior speech in this debate the hon. member for St. Jean-Iberville-Napierville said that he had received a number of letters concerning the desirability of the government's intervening in this matter. Will he please tell the committee how many letters he received and can he possibly make them public?

(Translation):

Mr. Dupuis: Mr. Chairman, that question being out of order, I shall go on with my remarks.

I was then saying that I had other questions to direct to the hon. Minister of National Revenue.

(Text):

Mr. Grafftey: Would you answer my question?

(Translation):

Mr. Dupuis: You want an answer to your question? I can say that I have received many letters from my electors but I shall not mention any of their writers, fearing my hon. friend would, as a supporter of the Union Nationale, use reprisals against them.

Mr. Grafftey: It is a very simple question, and all I am asking is that you answer it.

Mr. Dupuis: My hon. friend represents a constituency adjacent to mine, and I am inclined to believe that he would be most ill-advised, at the next election, to ask similar questions in my constituency.

Mr. Grafftey: It is a very simple question.

(Text):

Mr. Chevrier: Mr. Chairman, I should like to tell the Minister of Finance who intervened just a moment ago that I make one final appeal to him.

Some hon. Members: Oh, oh.

Mr. Chevrier: If the committee will allow me to continue, perhaps they will not regret my intervention at this time. I make this last appeal because, as the hon. member for Gloucester has said, the Minister of National Revenue is ill. It is only fair to ask the present leader of the government to allow the item to stand and to go to the bottom of the list so that we may discuss other items in the meantime. He may find that the progress made with the others will be satisfactory.

If the minister does not wish to accede to my request may I say this. I see the Prime Minister coming into the chamber now. I make the request to him also. If the request is not acceded to, I am saying now to the minister and to the committee that we shall have no other alternative than to allow the item to pass, making it quite clear, however, that we have done our best, in fact our utmost, to obtain answers to questions from both the Minister of Labour and, particularly, the Minister of National Revenue who is not here. I repeat in the presence of the Prime Minister the request which I have made, namely that the matter be allowed to stand until the Minister of National Revenue returns. If the answer is to be in the negative, I say what I said earlier, namely that we will not delay the item any further.

Mr. Fleming (Eglinton): Mr. Chairman, the reference to the absence of the Minister of National Revenue as a result of illness comes as an afterthought in this matter. It was some time ago, without any reference to that fact, that the hon. member for Laurier proposed that this item stand. We have spent two long days on this item. I do not think it is going to be any effective contribution to orderly debate or to the transaction of the business of the house just to leave this matter open so that it can be started all over again on another day. I repeat the appeal that I have made to the committee, namely that we proceed with the important business of the committee that is urgently waiting to be done and that we do not go on with this endless repetition when the committee has already been given all the information that is required and is relevant.

Mr. Denis: Mr. Chairman, I agree with the Minister of Finance that for two days we have been discussing this item and that for two days we have been asking for information. But it is also true that for two days we have never had any answers to satisfy the public and the hon. members. While the minister is anxious that this item be passed, may I ask what is the urgency? If the Minister of Finance is not in a position to answer questions in place of the Minister of National Revenue, why do we not get the officials here with the books and something we can rely upon? The Minister of Finance is here trying to answer questions. He has not the books. He has no notes. He has no officials with him. He has no information. He has no answers. Nevertheless he thinks we are discussing the matter to no purpose. If there is some urgent matter to be discussed after this item is disposed of, why do we not allow this item to stand and go on with the more urgent questions?

Mr. Bourque: I should like to ask the Minister of Finance a question. I should like to know what proportion of the amount to be voted would be spent for the French network.

Some hon. Members: Oh, oh.

Mr. Bourque: Surely the minister must have some idea of how much money would be voted for the French network. Surely he can tell us at least approximately.

Mr. Fleming (Eglinton): Mr. Chairman, you will recall, even if the hon. member does not, that I answered that question about one hour ago.

Mr. Denis: What was the answer?

Mr. Fleming (Eglinton): It is on the record.

Mr. Denis: But he did not know it.

(Translation):

Mr. Dupuis: Mr. Chairman, if the hon. Minister of Finance (Mr. Fleming) cannot answer our questions, I suggest that we let the matter stand until the Minister of National Revenue (Mr. Nowlan) returns to the house, because these are matters of public interest that must be raised at this time. If we postpone consideration of the C.B.C. votes to the end of the session, that will give us no reply to the urgent questions we have to raise now. Moreover, I respectfully submit, Mr. Chairman, that we cannot make other inquiries until the Minister of Finance has replied to the inquiries we have already made, or until the Minister of National Revenue has been able to reply to the questions put to him by the hon. member for Laurier (Mr. Chevrier).

I also submit that the opposition has a right, particularly at this time, when a strike is affecting the staff of the French network of the C.B.C., to ask questions of the government and to expect definite answers which will be satisfactory to the people that we represent in this house.

Consequently, I would ask the Minister of Finance to give us, in the opposition, the right to ask questions of the Minister of National Revenue when he is well again; in short, we are simply asking that he adjourn this item until the hon. Minister of National Revenue can answer the very important questions that were put to him today.

I trust that the Minister of Finance who, when he sat with the opposition often called for fair play, will allow us to put our questions, and if he cannot give the answers, he will agree to wait for the return of the Minister of National Revenue.

(Text):

Item agreed to.

DEPARTMENT OF FINANCE

Special—

703. Contribution to the Springhill disaster relief fund, 1958, $100,000.

Mr. Pickersgill: This is the item having to do with the contribution to the Springhill disaster fund, Mr. Chairman. In the absence of the Leader of the Opposition, I should like to say that we are heartily in accord with what the government is doing and give it our warmest approval. While I know the Minister of Finance might be technical and tell me that it would be out of order, may I ask him if the government, in consultation with the government of Nova Scotia, has made any advance in its plans for the permanent rehabilitation of Springhill? If the minister has any information he could impart to the house I am sure all members on both sides would be interested in having it.

Mr. Fleming (Eglinton): I think there is no information additional to that which has already been communicated to the house.

Mr. Herridge: I want to say, on behalf of this group, that we, like the official opposition, approve of this action.

Some hon. Members: What group? Is one a group?

Mr. Herridge: Has the government any plans for rehabilitation or is it working in co-operation with the municipality or any organization in that area with respect to rehabilitation of those who suffered as a result of the disaster at Springhill?

Mr. Fleming (Eglinton): There will be an opportunity for my hon. friend to go into that question in due course when the estimates of the proper department are before the committee. This item simply concerns a contribution the government proposes to make, and asks the house to approve, to the disaster fund. Other questions can be raised later in the session on the estimates.

Mr. Pickersgill: I wonder if the minister could just assist us by telling us what would be the proper department?

Mr. Fleming (Eglinton): Mines and technical surveys.

Mr. Coates: I should like to say a few words on this item since I am the representative for Springhill. I should like to take this opportunity to thank the Minister of Finance, and through him the government of Canada, for this very substantial donation to this enormous fund which was built up for the wives and families of the victims of this tragic disaster in Springhill. At the same time, I should like to thank the hon. member for Bonavista-Twillingate and the hon. member for Kootenay West for their interest. I should like to say once again, as I said before, that I am glad at last the official opposition is showing some concern for the people of Springhill and their problems.

Mr. Pickersgill: I do not think we could allow that last remark by the hon. member for Cumberland to pass. It is well known that no one expressed sooner or in stronger terms his support for the people of Springhill than my hon. friend the Leader of the Opposition.

Mr. MacEwan: I should like to put a few words on the record concerning this grant

to the Springhill disaster relief fund. I would associate myself with the remarks made by the hon. member for Cumberland in the throne speech debate, and also the remarks made by the hon. member for Antigonish-Guysborough. I am well acquainted with this town of Springhill since I lived there for some time and went to high school there. My father was for 4 years the manager of No. 4 mine which suffered an explosion just two years earlier than this terrible bump which took place last year. The towns of Springhill and Westville, another mining town in the county of Pictou, are very much alike. A few years before the explosion in 1956 in Springhill we suffered an explosion in the McGregor mine in Pictou county, and at that time some 39 miners lost their lives. I lost some of own relatives at that time.

The people of the two towns are, of course, rugged. The people of Canada had their eyes upon Springhill, and I am sure that the grant will be passed by this parliament. As far as the rehabilitation of Springhill is concerned, I will not go into that. As was pointed out by the Minister of Finance, we will have an opportunity to speak on that matter when the estimates of the Department of Mines and Technical Surveys are under consideration. I may say that men from my own county went as draegermen to assist in Springhill, as did the men from Cape Breton.

I am sure that in the future, as indicated by actions today, there will be co-operation between the federal government and the government of Nova Scotia and everything will be done to help Springhill. I know that there was not too much done after the explosion in the McGregor mine about four or five years ago for the county of Pictou by way of assistance from either the federal or provincial governments. However I have the utmost faith in our federal government of today, and also in our present provincial government in Nova Scotia.

Item agreed to.

Progress reported.

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

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire from the house leader what the business will be for tomorrow, and perhaps he could also indicate what it will be on Friday?

Mr. Green: Tomorrow is private members' day and on Friday the business will be as announced last night. Next Monday will also be private members' day.

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

ANSWERS TO QUESTIONS

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

COLUMBIA RIVER DEVELOPMENT—LANDS FLOODED

Question No. 86—**Mr. McQuillan:**

1. What is the total number of acres expected to be flooded in the proposed Columbia river power development?

2. What is the estimated volume of merchantable timber, by species, in the proposed flood area?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. Many potential dam sites for power and storage purposes exist on the Columbia and Kootenay rivers in Canada. The sites themselves offer alternative opportunities in the extent of river rise and the consequent flooding of land their development would entail and these alternatives, multiplied by the choice of combinations of sites, lead to many systems of development. Pending further reports, talks and agreements, none of these systems can be referred to as "the proposed Columbia river power development". When such a development is determined, data will be available giving the total number of acres to be flooded.

2. See answer to (1).

CORNWALL ISLAND HIGH LEVEL BRIDGE

Question No. 91—**Mr. Winch:**

1. Who were the consulting designers on the Cornwall island south channel high level bridge on (a) substructure; (b) superstructure?

2. What was the design cost, inclusive of all consulting services?

3. What was the total cost of the aforementioned Cornwall bridge on (a) substructure; (b) superstructure?

4. What percentage of the total cost of the aforementioned bridge was charged (a) to Canada; (b) United States of America?

5. Are the river piers of the Cornwall bridge down to bedrock? If not, what is the distance from the bottom of the piers to bedrock on (a) the Canadian side; (b) the American side?

6. Has any shifting taken place in the piers or abutments of the Cornwall bridge? If so, to what extent?

7. Were the substructure plans of the Cornwall bridge accepted by the Canadian and American authorities? If so, who signed acceptance on behalf of both parties?

8. Was the completed bridge accepted by the authorized Canadian and American authorities? If so, who signed acceptance and what is the date of acceptance?

9. Have any repairs been carried out on any of the piers or abutments on the Cornwall bridge? If so, what repairs were necessary, and what were the costs of same?

10. Was there any agreement between the Canadian and American authorities on any repair work required? If so, who signed same, and on what date on behalf of Canada and the United States of America?

Questions

11. Is the Cornwall bridge now considered (a) up to international standards; (b) safe for traffic; (c) no further expenditure required?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. (a) and (b): D. B. Steinman, consulting engineer, New York, under contract with corps of engineers, U.S. army, acting in its capacity as contracting agent for the Saint Lawrence Seaway Development Corporation, and P. L. Pratley (deceased), consulting engineer, Montreal, retained by the St. Lawrence seaway authority as Canadian associate consultant, both as agreed to by the Saint Lawrence Seaway Development Corporation and the St. Lawrence seaway authority.

2. $263,236.

3. (a) $1,601,100, including accounts not yet paid; (b) $4,830,000, as reported by the Saint Lawrence Seaway Development Corporation.

4. With respect to the bridge and approaches: (a) Approximately 26 per cent; (b) approximately 74 per cent.

5. No, the piers were designed for and are founded on extremely dense glacial till.

Main pier, No. 12—(a) west shaft, 20.1 ft; east shaft, 19.7 ft.

Main pier, No. 11—(b) west shaft, 23.8 ft.; east shaft, 23.9 ft.

6. Yes, as follows:

Main pier No. 12—A comparison of elevations taken on December 20, 1957 with elevations previously taken at four points on the top of easterly shaft indicated uneven settlement with a maximum differential of about $\frac{1}{4}$ inch between two diametrically opposite sides. This would normally suggest tilting of the shaft which would cause a horizontal movement of the top. As there was no apparent horizontal movement of the top of the pier, and as there has been no further evidence of settlement, it has been concluded that the first observations must have been in error.

Cable-bent pier No. 13—Top of west shaft —easterly $\frac{1}{8}$" and southerly $\frac{1}{2}$"; top of east shaft—westerly $\frac{1}{2}$" and southerly 1".

There has been no vertical settlement or further horizontal movement. It is believed that the displacements were caused by abnormal forces resulting from the temporary support of construction equipment used in placing parts of the superstructure.

North abutment—southerly $1\frac{1}{2}$" at the top.

There has been no vertical settlement or further horizontal movement.

7. Yes.

The design features were accepted by Colonel Loren W. Olmstead, district engineer,

Buffalo, N. Y. for the corps of engineers, U. S. army; and by A. G. Murphy, chief engineer, for the St. Lawrence seaway authority, both upon recommendation of the consulting engineers. The contract plans for the substructure were signed by Mr. Murphy but not by Col. Olmstead. The reverse applied in regard to the superstructure plans.

8. Yes.

Substructure: On January 20, 1959, A. G. Murphy signed certificate of completion, with the proviso that $200 be withheld pending minor surface treatment of concrete.

Superstructure: On December 1, 1958, Colonel Loren W. Olmstead signed acceptance on behalf of corps of engineers, U. S. Army and Martin W. Oettershagen, deputy administrator, signed on behalf of the Saint Lawrence Seaway Development Corporation.

9. Yes.

Main piers: Remedial measures comprised the encircling, from river bottom to top, of each of the four cylindrical shafts with a 15-inch thick sleeve of tremie concrete placed within a cofferdam of straight web steel sheet piling; the drilling of numerous holes through the concrete from top to bottom of each cylindrical shaft; the washing of fine silt and sand from voids in the concrete at the plane of contact with the glacial till upon which the piers are founded; and the filling of such voids with cement grout intruded under pressure. Estimated cost $262,000.

Cable-bent pier No. 13: Temporary measures only were required. These included the installation of a temporary timber strut between, and the wedging apart of, the two pier shafts to hold them in correct relation during erection of the superstructure. Horizontal pressures were relieved by the removal of superstructure erection equipment and by the excavation of material from around the shafts. Estimated cost $2,000.

North abutment: Stabilizing measures comprised the installation of steel tie-rod anchorages between the abutment and a concrete anchor wall buried in the approach embankment about 80 feet from the abutment. Estimated cost $10,000.

10. No formal agreement, but the remedial measures jointly recommended by D. B. Steinman and P. L. Pratley were accepted by Col. L. W. Olmstead and by A. G. Murphy.

The Foundation of Canada Engineering Corporation Limited was retained by the seaway authority to review all field information, the decisions made and the procedures followed in the construction of the piers, and to give an opinion as to the adequacy of remedial measures undertaken. A preliminary report, dated January 11, 1958, included a statement that ".... the remedial measures being taken are reasonable ones".

In view of the concern subsequently expressed in some quarters as to the adequacy of the piers, the corps of engineers, U. S. army and the seaway authority appointed an independent board of consultants to investigate and to rule or recommend on the matter. This board, comprised Emil H. Praeger of Praeger-Kavanagh, consulting engineers, New York; G. F. Ferris, president of Raymond International Inc.; and D. F. Murphy, chief structural engineer of Foundation of Canada Engineering Corporation Limited.

The board first met on April 4, 1958 when it approved of the remedial measures adopted. Following a thorough investigation of all features of work performed, the board, in its final report dated October 14, 1958, stated that "the piers and the soil on which they rest are now adequate to safely sustain all dead and maximum live loads".

11. (a)Yes; (b) Yes; (c) None.

ST. LAWRENCE SEAWAY PROJECTS

Question No. 92—**Mr. Winch:**

1. Are there any St. Lawrence seaway projects upon which the contractors maintain the work is completed and the government is withholding moneys for (a) inefficiency; (b) non-conformity to contract agreement; (c) breakdown of work?

2. If so, what is the amount of money being withheld and (a) from what companies; (b) from what contracts; (c) for what reasons?

3. Is there any record of government inspectors refusing to pass contractors' work and being ordered to pass same?

4. If so, what are the names of such inspectors, have any been dismissed, and for what reason?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. No.

   Note: The practice of the seaway authority is to retain adequate security until all work has been completed in accordance with the requirements of the contract, as certified by the chief engineer.

2. Answered by No. 1.

3. No.

4. Answered by No. 3.

MINERAL CLAIMS, NORTHWEST TERRITORIES

Question No. 97—**Mr. Hardie:**

How many mineral claims were staked and recorded in each of the years 1955-56; 1956-57; 1957-58, and from April 1, 1958 to December 31, 1958, in (a) Yellowknife mining district; (b) Mackenzie mining district; (c) Arctic and Hudson Bay mining district?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

The following table shows mineral claims recorded in the Yellowknife, Mackenzie and Arctic and Hudson Bay mining districts, by district, during the fiscal years 1955-56, 1956-57, 1957-58, and from April 1, 1958 to December 31, 1958:

	Yellowknife	Mackenzie	Arctic and Hudson Bay
1955-56	5621	4326	668
1956-57	3329	3106	1657
1957-58	1255	145	5000
April 1, 1958 to December 31, 1958	947	190	418

PERMITS FOR EXPORTS TO CHINA

Question No. 100—**Mr. Howard:**

Questions

1. Since January 1, 1958, have any permits been issued for the export of any goods to the peoples republic of China?

2. If so, (a) to whom and upon what date was each permit issued; (b) what goods by volume and dollar value were represented by each permit?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. Yes, a relatively small number of permits was issued.

2. (a) It is the established practice of the government to treat details of export permits as confidential and this assurance is given to applicants since all relevant particulars of their proposed transactions are required to be disclosed in applications.

(b) For the reason given in (a), particulars of individual permits are not disclosed. The following is a list of goods and commodities for which permits to export to China were issued in 1958, with an indication of the volume and dollar value:

Description	Quantity or tonnage (tons of 2,000 lbs)	Value $
Sulphite wood pulp	1.0 ton	75
Instruments, measuring	5 pcs.	102
Magnetometers	26 only	39,195
Dip meedles	2 only	375
Electronic instruments, measuring	3 pcs.	3,465
Voltameters	2 only	720
Gravity meters	6 only	52,800
Electromagnetic units	2 only	1,040
Drilling equipment	33.0 tons	80,000
Automobile	1 only	1,760
Automobile engine assemblies	10 only	4,900
Magnesium ingots	119.5 tons	65,449
Copper wire rods	1,120.1 tons	617,603
Nickel	1,385.9 tons	2,166,748
Aluminium ingots	2,240.0 tons	1,128,960
White pine bark extract	3.3 tons	7,162
Teletherapy units and sources	2 only	91,440
Piano actions and hammers	104 sets	6,000
Wool clips	10.0 tons	4,600
Magnetometer literature	.....	50
Wheat	127,534.0 tons	7,018,903
Flour	280.0 tons	20,150
		$11,311,497

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

CANADIAN BROADCASTING CORPORATION

701. Grant towards the anticipated operating deficit of the radio and television services—further amount required, $2,193,552.

DEPARTMENT OF FINANCE

General items of payroll costs including superannuation payments—

702. To authorize contributors under the Public Service Superannuation Act, who are employed in the Department of Fisheries and who, immediately prior to such employment were employed by the government of the province of Quebec and performing functions for the government of Canada, to count as pensionable service under that Act, notwithstanding anything contained therein, their service with the government of that province on the basis that the amount required to be paid by them, in respect of such service shall be determined, in accordance with regulations of the treasury board, as if an agreement had been entered into with the government of the province of Quebec pursuant to section 28 of the Public Service Superannuation Act on terms similar to those contained in such agreements that have been entered into with other public service employers, $1.

Special—

703. Contribution to the Springhill disaster relief fund, 1958, $100,000.

HOUSE OF COMMONS

Thursday, February 12, 1959

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

First report of standing committee on miscellaneous private bills—Mr. McCleave.

First report of standing committee on mines, forests and waters—Mr. Murphy.

First and second reports of standing committee on estimates—Mr. Smith (Calgary South).

First report of standing committee on banking and commerce—Mr. Cathers.

EXTERNAL AFFAIRS—MOTION FOR CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. H. O. White (Middlesex East) presented the first report of the standing committee on external affairs and moved that the report be concurred in.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I wonder if I could ask the house leader to allow this motion to stand over until the motion which my hon. friend has the intention of moving is brought before the house. I ask this as a matter of courtesy.

Mr. Speaker: Does the hon. member agree to allow this motion to stand?

Mr. White: Yes, Mr. Speaker.

Motion stands.

CANADIAN PACIFIC RAILWAY

BRITISH COLUMBIA FERRY SERVICE—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. A. D. McPhillips (Victoria, B.C.): Mr. Speaker, at the conclusion of the routine business I beg leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, namely:

That the cessation of steamship services on the 26th instant from Vancouver on the mainland of Canada to Victoria, the capital city of British Columbia, a service that has existed since the admission of British Columbia into confederation, will constitute a calamity in national transportation, endanger the safety of the naval base at Esquimalt, the Pacific drydock and the safety of persons, property and commerce now existing.

Mr. Speaker: The urgent matter of public importance which the hon. member for Victoria, British Columbia, raises and for which he asks leave to move the adjournment of the house to discuss has been mentioned earlier. As I recall the reply of the Minister of Transport (Mr. Hees), it was to the effect that he could find no responsibility, legal or constitutional, resting on the federal government to maintain the service in question. With that answer in mind and the possibility of debate that has existed, my first thought about this motion is that it would scarcely qualify, but I do not wish to decide too hastily. If any hon. member could give me some assistance as to the urgency of debating this matter today, having regard to the fact that there was opportunity to discuss almost any subject matter last Monday and Tuesday, after this issue arose, I would appreciate it. I think it unlikely that I can accept the motion, but I am withholding my judgment for the moment at least.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I would like to add one word on your request for assistance as to whether or not this is a motion of urgency. I would submit, sir, that it most certainly is one of urgency, because the declaration of Canadian Pacific Steamships is that service between the cities of Vancouver, Victoria and Seattle is to end on the 25th day of this month, and that notice is being given to lay off 200 employees.

I know that you, sir, do not come from British Columbia, but I also know that you are interested in every part of our country. I can assure you that the maintenance of a steamship service between Vancouver and Victoria is of the utmost importance and significance to the province of British Columbia. It is something which has been in effect for a great many years and although there may—I only say "may", sir—be a question of the legal or constitutional responsibility of the federal government, it is and has always been accepted as a part of the transportation system of Canada, and there was an undertaking under the terms of British Columbia coming into confederation that there would be maintained a complete system of transportation.

Mr. Speaker: If I may interrupt the hon. member, I am not disagreeing that this is an urgent matter but I need to be persuaded that we should interrupt other proceedings now to debate this matter. I admit that it is an urgent matter, particularly to those people concerned locally, but the urgency of debate is the problem I have to deal with

because here we have private members' day and bills to be debated in their regular order, and I am asked to suspend that order and allow discussion on this matter, not to arrive at any conclusion but just for the purpose of having a debate. I really do not know that I should do that.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, if I may say a word, there is no doubt that the question which has been raised is of great concern to people on the west coast, and naturally no one is more concerned over it than I am as a member from the city of Vancouver. However, in view of the fact that the service is not under the jurisdiction of the federal government or of the board of transport commissioners and really is just the same as a service from A to B anywhere in Canada, I suggest that surely it is not in order to adjourn the house to discuss the question of whether or not that service should be suspended. If it can be done in this case, then it can be done in the case of any other service by ship between any two ports in Canada. For this reason, Your Honour, I submit that the motion should not be accepted.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the house will remember that the other day I brought this matter up on the orders of the day and asked the government a question concerning it. At that time the Minister of Transport indicated in his reply that it was not a matter of urgency, in the sense that an alternative service was being provided by which people in Victoria could take a bus to Nanaimo and cross from Nanaimo to Vancouver. But surely, Mr. Speaker, not only is it a matter of urgency—and all the information I have received in the last few days would indicate that it is—but it is also one a discussion of which at this particular time might help to prevent the interruption of this service on February 25.

The minister says this is just an ordinary matter in the sense that it is a dispute about the service from point A to point B, but I suggest it is more than that. I suggest that not only might a discussion of the matter at this time and the stand taken by the government prevent interruption of the service, but there is also the question of whether or not there is a legal obligation on the government to prevent the service being interrupted. That matter has been raised and we have not yet had an authoritative opinion. Therefore I suggest that not only is the question one of urgency but it is one that might be assisted by a discussion at this time so the service will not be interrupted on February 25.

[Mr. Speaker.]

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, ordinarily I do not intervene in matters such as this, but in accordance with my responsibility as Prime Minister it is necessary for me on occasion to place before Your Honour the situation as it is. Speaking for the moment of the argument of the Leader of the Opposition that there is a legal responsibility, and I am not for a moment accepting it or entering into any controversy in that connection, then recourse to the courts is the proper course to follow by way of an application for a writ of mandamus. If there is a legal responsibility that is the course to follow. The Minister of Transport says there is neither constitutional nor legal responsibility. Certainly there is no administrative responsibility. I would refer Your Honour to Beauchesne, 4th edition, paragraph 100, which reads as follows:

> The definite matter of urgent public importance for the discussion of which a member may ask leave to move the adjournment of the house under standing order 26 must involve the administrative responsibility of the government.

The hon. gentleman is properly exercised over the situation, as are other members from the coast, and I am not indicating in any way that he has not raised a very serious matter. Citation 100 in Beauchesne's fourth edition makes it very clear that administrative responsibility on the part of the government would be the only circumstance under which a motion such as this could be entertained. Whatever the legal situation may be, there is no administrative responsibility. Though I fully realize and understand the point of view of the hon. gentleman, the rules would not permit adjournment for this purpose.

Mr. Winch: You intervened when there was a strike there.

Mr. Pearson: In order to keep the record straight may I refer to page 805 of *Hansard* for February 9, where the Minister of Transport was dealing with this matter of legal and constitutional responsibility. He said he would not wish his statement to be taken as final and categorical, but he expressed a tentative opinion. Perhaps the Minister of Justice, who comes from British Columbia, would be able to give us more than a tentative opinion on this matter.

Hon. George H. Hees (Minister of Transport): We have still been unable to find any responsibility whatever for this matter.

Hon. Lionel Chevrier (Laurier): I just want to intervene for one moment in answer to what has been said by the Prime Minister.

He has read from Beauchesne, dealing with the urgency of debate, the point upon which you have asked for assistance. He has urged that in order for the house to adjourn its normal proceedings to deal with a matter of urgent public importance the matter must involve the administrative responsibility of the government; that is what Beauchesne says in his fourth edition.

I say that the British North America Act, clearly and in formal language, places the responsibility for navigation and shipping with the federal government. If the responsibility for navigation and shipping lies with the federal government, then there is a responsibility on the government, unless that responsibility is delegated otherwise. There is a responsibility under the British North America Act, but the minister has stated yesterday and again today that there is no legal responsibility. While I accept the minister's statement because of his person, I do not accept the legal implication of the responsible minister's statement. After all, he is giving a legal opinion. I think the house should be allowed to debate this from an urgency standpoint to ascertain whether or not there is this legal liability, and let the Minister of Justice tell us what the position is from the point of view of any agreement that might have been made between the federal government and British Columbia in so far as the service is concerned.

I say, therefore, that until these two points have been determined it would seem to me that there is urgency of debate, and the motion should be allowed.

Mr. Frank Howard (Skeena): I realize this is a question of attempting to determine the urgency of debate. Before we embark upon that, I would submit that—

Mr. Speaker: That is all I wish to hear; I think the matter must be determined from that point of view.

Mr. Howard: That is quite true, and I am going to argue along that line. As I said, I should like to make a preliminary remark. The Prime Minister and the Minister of Public Works were not dealing with that subject matter at all but were attempting to becloud the issue on jurisdiction and responsibility. We all know that shipping on the west coast comes directly under the jurisdiction of the Department of Transport in so far as steamship inspection is concerned. So far as labour matters are concerned, they come within the jurisdiction of the federal government, so administration wise the arguments of the Prime Minister and the Minister of Public Works are not valid.

On Monday last the announcement appeared in the newspapers of British Columbia that the coast steamship service was going to discontinue operating the line between Vancouver island and Victoria. It was on that day that the question was asked on the orders of the day. On Monday we had a supply motion and an amendment, which of course was fairly well confined with regard to the matter it covered and was not disposed of until after 8.15 on Tuesday evening.

Therefore the opportunity for debate was confined to probably an hour on Tuesday evening at the outside, at which time other matters were raised. If the hon. member for Victoria (B.C.) and others who have a direct interest in this matter had had an opportunity to raise it, they would have done so. There is no fault to be attached to them. It is just that if they did try to bring this matter up they undoubtedly did not catch the eye of the chair in order to raise it. We have not had a chance to do so. I think in that light we should favourably consider the urgency of debate, this being the first opportunity.

Mr. Green: On that point, Mr. Speaker—

Mr. Speaker: I think the Minister of Public Works will find it unnecessary to labour that point when he hears my view. I do not determine this matter entirely on the question of whether or not it is an administrative responsibility of the government. Of course it has been said that it is not, and there is a disposition to argue that point. If it is not, the quotation from Beauchesne seems to be clear. If a private company like the Canadian Pacific Railway Company discontinues its service and it is not a service operated by the government of Canada or a service the operation of which is the responsibility of any government agency or crown corporation, it is not a fit subject for this motion.

However, I prefer to deal with the matter on the basis of urgency of debate. This rule should be invoked only in exceptional cases, as hon. members will appreciate. Otherwise at the beginning of each day we could interrupt the business appearing on the order paper by finding in some part of the country something which is undoubtedly urgent and of public importance to the people there; and in that way we would destroy the effectiveness of orderly debate. I therefore feel that we should interrupt the course of debate only if the matter is one which cannot be discussed otherwise.

Let me point out this fact. Although the Leader of the Opposition urged that there was urgency to discuss this matter, he had an opportunity on Monday to make a motion with respect to this matter, and again on

Tuesday if his first amendment had been disposed of. The same statement applies to other members of the house. The supply motion is broad enough, even though the first amendment related to a dominion-provincial conference, for one to suggest that this matter might be the subject of a conference between the federal government and the province of British Columbia in order to see how this service might be restored.

Some hon. Members: Oh, oh.

Mr. Speaker: In any event, the matter could have been raised after the amendment and the subamendment were disposed of. There will be opportunities to raise it again. Therefore in my view we should not interrupt today's proceedings further in order to discuss this matter.

[*Later:*]

On the orders of the day:

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I should like to direct a question to the Minister of Transport, and since I have not given him notice he may take this as notice. Has any request been received for, or is any consideration being given to, the transfer of C.N.R. ships to the Vancouver-Victoria run?

Hon. George H. Hees (Minister of Transport): No, Mr. Speaker.

NATIONAL DEFENCE

CANADA-U.S.—REPORTED DIVISION OF COST OF BOMARC SQUADRONS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of National Defence whether he cares to comment on the report that two-thirds of the cost of Bomarc squadrons to be stationed in Canada will be borne by the United States.

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, a series of discussions has been going on between the Department of National Defence, the Department of Defence Production and the authorities in the United States as to the proportions of the cost of Bomarc squadrons which should be borne by the two countries since these weapons will provide a portion of the defence of both countries. But the matter has not yet been finally dealt with. I am not in a position to confirm or otherwise deal with the press statement which says that two-thirds of the cost will be borne by the United States and one-third by Canada.

Mr. Pearson: If I may, I should like to ask a supplementary question. Is it a fact that these Bomarc squadrons will be wholly under the administrative and operational control of the R.C.A.F.?

Mr. Pearkes: These squadrons will be part of the defence of the North American continent. They will be under the command of the R.C.A.F., being part of the R.C.A.F. air defence command, but like the air defence command itself they will be under the operational control of NORAD.

Hon. Paul Hellyer (Trinity): Can the minister tell us if the Bomarc missiles will be equipped with atomic warheads?

Mr. Pearkes: Bomarc missiles are capable of being equipped with nuclear warheads.

Mr. Hellyer: I wonder if the minister could give us some indication, because this is a matter of vital importance to our defence thinking.

Mr. Pearkes: As I said, the Bomarc missiles are capable of being equipped with nuclear or atomic warheads, and when these missiles are available a decision can be made as to whether or not they will be so equipped.

ALLEGED FALSE SIGNALS TO ALLIED AIRCRAFT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of National Defence. It arises out of an item in this morning's press in the wake of President Eisenhower's statement yesterday that he believes some United States planes have been lured across the iron curtain by false radio signals, the report being that a Russian ship once tried to lure a flight of Canadian star jet fighters into Soviet territory.

Can the minister say whether it is technically possible to lure western planes into the Soviet union, with all the danger this implies.

Hon. G. R. Pearkes (Minister of National Defence): In answer to the first part of the question, the R.C.A.F. have no confirmation that any attempts were made by the Soviets to lure any of the F-86's which were in transit from this country to Europe in 1953 and 1956. As to the technical possibility of this being done, I cannot express an opinion.

D.E.W. LINE—STATEMENT ON CLEARANCE FOR VISITORS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I wonder if the Secretary of State for External Affairs is in a position to answer the question I asked

him last Tuesday regarding arrangements for security clearance in connection with the D.E.W. line.

Right Hon. J. G. Diefenbaker (Prime Minister): The Leader of the Opposition, as reported on page 859 of *Hansard*, asked the following question:

> In view of the statement of the Prime Minister in the house a few days ago that Canada has now taken over responsibility for the administration of the D.E.W. line, is there any necessity now for a Canadian to secure clearance from any United States authority in order to visit that line?

May I say this, that I made the situation most clear on August 16 and August 18 last in regard to similar inquiries by the hon. gentleman. The answer was then and still is, no. I make that very clear and unequivocal with regard to the portion of the statement contained within the hon. gentleman's question to the effect that Canada has taken over responsibility for administration of the D.E.W. line, I should make it very clear that it is the operational control and not the administration of the D.E.W. line which was taken over by the R.C.A.F. The D.E.W. line is still maintained by the United States and, as I said a moment ago, the answer to the question is an unequivocal no.

While I am on my feet, may I say that since I spoke here on August 16 and 18 last the spirit of partnership which has characterized the combined efforts of Canada and the United States in constructing and operating the early warning system of which the D.E.W. line is an integral part has been satisfactory, and I am sure that in this respect the Leader of the Opposition, whose experience in office brought him into contact with these defence arrangements, will agree with what I have said.

Mr. Pearson: In view of the reference made by the Prime Minister to the discussion of this matter last session in July and August, may I ask him whether he will now do what he promised to do at that time but which was not done before the end of the session, namely table the regulations governing visits of Canadians to the D.E.W. line, in accordance with the questions I asked him on August 23 which are to be found in *Hansard* of that date.

Mr. Diefenbaker: I may say there were a number of other items for which the hon. gentleman asked in connection with this, constituting quite an assortment of documents, but tabling will take place. I am glad the hon. gentleman has brought this to my attention, because it was not done before the end of the last session.

Inquiries of the Ministry

REPORTED CANADIAN INTEREST IN U.S. FIGHTER AIRCRAFT

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Has the minister seen the Washington dispatch which appeared in several Canadian newspapers yesterday to the effect that Canada was interested in the Northrop N-156F fighter aircraft and, if so, can the minister tell us if the Canadian government is in fact interested?

Hon. G. R. Pearkes (Minister of National Defence): The R.C.A.F. is interested in all new types of fighters. This particular aircraft is a small interceptor type.

Mr. Hellyer: I wonder if the minister could tell us what use they have in mind which would prompt an interest in this particular aircraft?

Mr. Speaker: I think it is hypothetical to ask what use might be found for the aircraft, in the circumstances of the minister's reply.

ADMINISTRATION OF JUSTICE

NEWFOUNDLAND—REPORTED R.C.M.P. INTERVENTION IN LABOUR DISPUTE

On the orders of the day:

Mr. J. A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Justice. In view of several reports in today's press regarding further interference by the R.C.M.P. in the loggers' strike at Grand Falls, Newfoundland, does the minister have any further statement to make at this time?

Hon. E. D. Fulton (Minister of Justice): In answer, I should like to advise the hon. member that the R.C.M.P. are acting only to preserve order in the situation in Newfoundland. Feeling is apparently running very high between those who are on strike and those who wish to continue working. Such a situation demands that precautions be taken to prevent disorder or to bring the situation under control instantly should an outbreak occur. A police force cannot avoid its responsibility in such circumstances, and I am sure the R.C.M.P. in particular would not be expected to do so.

I am advised that the police have in no case escorted or attempted to escort anyone through a picket line. They do not take sides in a strike. They have, however, been called to the picket line when disturbances have occurred. Union leaders have been advised of the position and attitude of the police in this regard.

Inquiries of the Ministry

The report that women were injured when a police car forced its way through a picket line a couple of days ago is incorrect. The car was stopped at the time, and the members of the patrol were carrying out their duty in seeing to the removal of an obstacle which had been placed on the road. A woman tried to break the windshield of the police vehicle but did not succeed.

I should like to repeat that in carrying out their duty in this connection the R.C.M.P. are merely discharging their role as the force responsible for the maintenance of law and order in Newfoundland under the contract, and are acting in the role of a provincial police force which reports to the provincial attorney general.

NEWFOUNDLAND—INQUIRY AS TO APPOINTMENT OF CHIEF JUSTICE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I might ask the Prime Minister whether in view of the difficulty or indeed the virtual impossibility of appeals being heard in the supreme court of Newfoundland, when there are only two judges, he expects soon to be in a position to recommend the appointment of a chief justice?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, one of my real regrets is that my hon. friend is not through his law course and is not one of those who could be considered.

Mr. Pickersgill: A supplementary question, sir. I am sorry I cannot share the Prime Minister's regret, but can the Prime Minister indicate when he hopes to be in a position to recommend the appointment of someone else?

Mr. Diefenbaker: Now that I see the hon. gentleman himself is not interested may I say I hope that appointment can be made at the earliest possible date.

ATOMIC ENERGY

STRONTIUM 90—EFFECTS OF RADIOACTIVE FALL-OUT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, while I do not expect an octavo from Waldo concerning his credo on radiation on orders of the day, I wish to ask the Minister of National Health and Welfare a question. Has the minister's attention been drawn to a press statement of Professor M. E. Kettner, of the University of Manitoba, to the effect that the radiation effects of strontium 90 can cause leukemia, cancer of the bones and long-range harmful genetic effects, and that the rate of fall-out appears to be going up steadily as snow and rain bring more of the element to earth? In view of the serious nature of this problem, can the minister inform the house if studies and investigations are being undertaken by his department?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I am afraid I did not catch the hon. member's introductory remarks to the question. I shall have to look it up in *Hansard*, and perhaps I can address him personally in respect to those. I was, however, anticipating the possibility of such a question, and I would say that since 1955 when the department began measuring radioactive strontium in dried milk samples, a gradual but small increase has been noted in radioactive strontium levels.

The maximum permissible concentration of strontium 90 in milk for regular consumption has been estimated as 80 micromicrocuries per litre. The estimates of strontium 90 available to us based on monthly analyses of samples from more than a dozen stations across Canada are well below the maximum permissible concentration. The levels that have been measured in Winnipeg are not out of line with those which have been observed for other stations in the country. The department is, however, continuing to keep a close watch on this matter.

TRANSPORT

CONCEPTION BAY, NFLD.—REQUEST FOR ICEBREAKERS

On the orders of the day:

Mr. J. A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Transport. In view of the unseasonable ice conditions existing in Conception bay in eastern Newfoundland resulting in the disruption of the ferry service between Bell island and Portugal Cove, can the minister assure the house that government icebreakers will be dispatched to the scene?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker, we will provide all the icebreaker assistance which we are capable of providing when we receive requests for such service.

(Translation):

CANADIAN BROADCASTING CORPORATION

MONTREAL—DUTIES AND RESPONSIBILITIES OF CERTAIN EMPLOYEES

On the orders of the day:

Mr. J. O. Latour (Argenteuil-Deux-Montagnes): Mr. Speaker, I should have liked to direct a question to the Minister of

National Revenue, but since he is absent, I hope he might find it possible to reply to it a little later. Yesterday, in the course of a debate, the hon. member for St. Lawrence-St. George (Mr. Chambers) informed the house that the strike between the C.B.C. and its producers was over. I should now like to ask the Minister of National Revenue the following question: could he tell me exactly what positions are held by Messrs. Andre Ouimet, J. P. Ladouceur and Yves Vien in the C.B.C., and what are their duties and responsibilities in the corporation?

(Text):

Some hon. Members: Order.

Hon. J. M. Macdonnell (Acting Minister of National Revenue): Mr. Speaker, perhaps I could take that question as notice.

Mr. Speaker: I am not sure that the minister should take it as notice, because it seems to me that it infringes the rule in that it is asking for an opinion.

(Translation):

Mr. Latour: Pardon me, Mr. Speaker, but I gave notice of that question a week ago today. I did not want to raise it until now precisely in order to avoid interfering with the debate and the possible settlement of the strike at that time.

(Text):

Mr. Macdonnell: Mr. Speaker, the translation system was out of order and I did not get the sense of the question, so perhaps the hon. member would repeat it.

Mr. Speaker: I might advise the hon. member that it was not a question but a statement of fact, and the minister need not ask for its repetition.

MONTREAL—INQUIRY AS TO PRESENT STRIKE SITUATION

On the orders of the day:

Mr. Augustin Brassard (Lapointe): Mr. Speaker, neither the Minister of National Revenue nor the hon. member for St. Lawrence-St. George is in his seat at the moment. I wonder therefore whether I can direct my question to the Acting Minister of National Revenue. Has the acting minister any progress report on the negotiations now going on between the C.B.C. representatives and those of the unions involved in the strike?

Hon. J. M. Macdonnell (Acting Minister of National Revenue): Mr. Speaker, I understand the question is addressed to me personally, and the answer is no.

(Translation):

HEALTH AND WELFARE

ALLEGED DISCRIMINATION IN HOSPITAL SERVICES FOR INDIANS

On the orders of the day:

Mr. J. E. Bissonnette (Quebec West): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Has the minister read the many items published by the *Action Catholique*, of Quebec, during the last few months with regard to the possible closing of Parc Savard hospital in Quebec west, and particularly the news report published January 11, 1959, under the heading "Justice claimed for Quebec", according to which there are no hospitals specially devoted to the treatment of Indians in the five eastern provinces of Canada, while there are 18 such in the five western provinces, thus providing jobs for several thousand people? Would the minister also explain to the house the significance of this discrimination against eastern Canada, as compared to western Canada?

(Text):

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I should like to thank the hon. member for notifying me of his intention to ask this question. I can understand his interest in a situation that involves my department's operations within his own riding, but I feel I should point out as forcefully as I can that in my view nothing that can justifiably be termed discrimination exists in our method of supplying health care to Indians.

The bulk of Canada's Indian population, about 85 per cent, is found in the five western provinces—

Mr. Benidickson: Five?

Mr. Monteith (Perth): —in which large groups of Indians are often concentrated in areas where special facilities must be provided if they are not to be left completely without hospital services. This is the reason for the existence of 18 Indian hospitals in these provinces.

However, the situation is quite different in the five eastern provinces, where the number of Indians is about 15 per cent of the total Indian population. It must also be remembered that most of these Indians live within easy reach of established hospitals. To construct hospitals expressly for such Indians would not only be costly and unnecessary but at the same time would create undesirable competition with existing hospitals. My department tries to avoid this, and wherever practicable attempts to use existing hospital facilities.

Inquiries of the Ministry

I have not had the pleasure of reading *L'Action Catholique*, but as far as Parc Savard hospital is concerned it is quite correct that the question of future use is at present under consideration. However, I am pleased to assure the hon. member that at no time has any thought been given by myself or my officers to the possible sale of this institution to private commercial interests. On the contrary—

Some hon. Members: Order.

Mr. Speaker: Order.

Mr. Chevrier: Mr. Speaker is on his feet.

Mr. Speaker: I think hon. members should either rise on a point of order or allow the minister to finish his statement, which I quite agree is rather extended. Has the minister leave to finish his statement?

Some hon. Members: Agreed.

Mr. Monteith (Perth): On the contrary, if the departmental services Parc Savard now provides can more economically be obtained elsewhere and for this reason it is decided to dispose of the hospital, all necessary steps will be taken to ensure that the hospital's facilities remain available to the community. Furthermore, it is my intention that arrangements in the event of change provide that the staff now at Parc Savard will be given the opportunity to continue in employment, either by being absorbed by a new administration or by being transferred to other positions within the civil service with as little disruption as possible.

I should perhaps add—

Mr. Chevrier: Oh, no, don't.

Some hon. Members: Speech.

Mr. Monteith (Perth): —that the possibility of disposing of Parc Savard does not involve an isolated case. In accordance with the efforts of my department to discharge its responsibilities as economically and efficiently as possible, the future use of Rockhead hospital at Halifax is at present receiving similar study. Negotiations in this latter case have been going on for some time, and I hope that satisfactory arrangements for transferring authority to another administration will be completed in the very near future.

Some hon. Members: Bravo. Encore.

Mr. W. M. Benidickson (Kenora-Rainy River): A supplementary question, Mr. Speaker. I do not want to make a speech. In his statement the minister referred to five western provinces. Was he including his own province of Ontario?

[Mr. Monteith (Perth).]

Mr. Monteith (Perth): I believe I referred to five eastern provinces, as compared with the other five.

[*Later:*]

Mr. Maurice Bourget (Levis): In view of the short answer given by the Minister of National Health and Welfare to the hon. member for Quebec West, can he inform the house whether the hospital has been transferred to Crown Assets Disposal Corporation?

Mr. Monteith (Perth): No, Mr. Speaker.

Mr. Bourget: A supplementary question, Mr. Speaker. Can the minister tell the house when the department will transfer the building to crown assets?

Mr. Monteith (Perth): No, Mr. Speaker.

WATER RESOURCES

CHICAGO DIVERSION—ATTENDANCE OF CANADIAN OBSERVER AT DETROIT CONFERENCE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Has the minister given consideration to having an observer at the conference in Detroit on February 25 and 26, called by the association of all the mayors of the cities on the great lakes, the topic at such conference being the blocking of the Chicago water diversion?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, to the best of my knowledge we have had no notification of such a meeting being held. We have not received an invitation to send anyone to that meeting. We will be interested, Mr. Speaker, in learning of the discussions and of their proposals.

Hon. L. B. Pearson (Leader of the Opposition): A supplementary question, Mr. Speaker. Has the minister yet sent a protest on behalf of this government to the United States government? If not, does he realize that he has only a week left before the hearings begin in the senate on this matter?

Mr. Smith (Hastings-Frontenac): As I informed the house on two recent occasions, this matter is under close study by our officials and, as I indicated a moment ago, we are ready and anxious to get information with respect to the discussions. We do realize that the hearings will begin in the near future, but that does not indicate that the bill then will be adopted.

TRADE

COMMUNIST CHINA—REPORTED STATEMENT BY PRESIDENT OF ROYAL BANK

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. Has his attention been drawn to a statement in today's *Globe and Mail* by Mr. James Muir, president of the Royal Bank of Canada, to the effect that the people's republic of China desires to trade with Canada, and also the fact that Mr. Muir thinks the government is asleep in this matter?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I did see the article. We have been very active in our trade with China, which doubled during the last year.

Mr. Howard: A supplementary question. Is the minister making reference to our exports to China or our imports from China, or both, when he talks about our trade doubling?

Mr. Churchill: Our exports to China doubled during the last year.

IMMIGRATION

MR. AND MRS. RAOUL ARTHUR ROLLING—STAYING OF DEPORTATION ORDER

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to address a question to the Prime Minister. Is the Prime Minister in a position to answer a question of mine that he took as notice quite some days ago as to what action the governor in council has taken on the petition, on humanitarian grounds, for the staying of the deportation order affecting Mr. and Mrs. Raoul Arthur Rolling?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not the file before me but my understanding is that application has been made to the courts for a writ of habeas corpus. That being so, the matter cannot be discussed or referred to in the house.

Mr. Argue: A supplementary question, Mr. Speaker. May I ask the Prime Minister whether this is still before the cabinet, or whether the cabinet has taken a decision?

Mr. Diefenbaker: Things do not come before the cabinet so long as they are being considered by the courts.

Mr. Argue: A supplementary question. Is it correct that this application first came to the cabinet last December 4, many weeks before it was in the courts?

Mr. Diefenbaker: Apparently the hon. gentleman does not realize that so long as a matter is before the courts there cannot be a duality of approach on the part of any person affected.

GRAIN

WHEAT—INTERIM PAYMENT ON 1957-58 CROP—DEFICIENCY PAYMENTS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to ask the Minister of Trade and Commerce this question. In the making of an interim payment on the 1956-57 wheat crop has the government under consideration supplementing such a payment by a deficiency payment?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, is the hon. member speaking of the 1956-57 crop?

Mr. Argue: My error, Mr. Speaker; 1957-58.

Mr. Churchill: As long as the hon. member is clear on what he is asking, that is fine. Consideration has not been given to that problem as yet.

Mr. Argue: Mr. Speaker, a supplementary question. Has the government under study the possibility of providing a parity price or a two-price system for wheat going into domestic consumption?

Mr. Churchill: The government has under study all matters affecting agriculture. This morning we met for three hours with the representatives of the Canadian Federation of Agriculture covering almost all the problems that have been raised in the House of Commons during the last year, and some that the hon. member has not even thought of yet.

Mr. Argue: Mr. Speaker, I do not want to misinterpret the minister. Can I take it from his remarks that the cabinet has under study the possibility of a parity price for wheat going into domestic consumption?

Mr. Churchill: I would suggest that the hon. member is imagining quite a number of things. He can go on speculating to his heart's content; he has been doing that in this house for years.

Mr. Argue: Will the government give it consideration?

Mr. Churchill: Mr. Speaker, the hon. member is now asking for an expression with regard to policy.

Mr. Argue: Obviously you do not have one.

Interest Act

INTEREST ACT

AMENDMENT TO PLACE CEILING ON INTEREST RATES

Mr. Hazen Argue (Assiniboia) moved the second reading of Bill No. C-3 to amend the Interest Act.

He said: Mr. Speaker, I move the second reading of Bill No. C-3 at this time because I think it is of the utmost importance that this parliament take action to place a ceiling on the fantastic and exorbitant interest rates and carrying charges which are being levied in this country at the present time. I suggest that this bill covers a subject of major importance because of the tremendous growth in credit of various kinds in recent years.

I hold in my hand the Bank of Canada statistical summary for December, 1958 and it shows that in September, the latest month for which statistics are available—

Mr. Speaker: Order. If the hon. member will allow me to interrupt, may I ask hon. members who are about to leave the house to make their departure expeditiously and those who are not about to leave it to moderate their tones so we can hear the hon. member.

Mr. Argue: Thank you, Mr. Speaker. Statistics for the last month available show, with respect to the various kinds of finance companies and credit extended by retail dealers to consumers, that the balance outstanding was the tremendous sum of $1,947 million. I am going to go on to indicate some of the fantastic interest rates that are being charged, and I suggest that if the bill before the house were passed it would result in the saving of tens of millions of dollars for Canadian consumers. It would place a ceiling on interest rates of 12 per cent per year, whereas in the sum of $1,947 million to which I have referred interest rates of double that amount or more are involved.

To demonstrate to the house how much saving there would be from the passing of such a bill one need only point out that if there were a reduction of 10 per cent in the credit extended, for example, it would mean an annual saving of some $195 million. With such statistics placed before the house I think one can understand the importance of this subject.

Credit is important to our country, consumer credit, instalment credit, credit obtained from small loan companies. These various types of credit are very important to commerce and to the individual who is able to obtain credit. Statistics I have here show that the total amount of such credit in 1951 was $706 million and that by September, 1958, this had increased to $1,947 million.

This tremendous sum of money is made up as follows: instalment finance companies, total credit of $752 million; small loan companies issuing instalment credit, $18 million; cash loans by small loan companies, $373 million; credit outstanding by departmental stores, $256 million. These figures total $1,399 million, and one must add to that the amount of credit provided by other retail dealers, making a grand total of $1,947 million.

One of the important kinds of credit is instalment credit. Various examples of the tremendous rates that have been charged have been placed before the house on previous occasions. The interest charges accompanying instalment credit range from the very low level of 10 or 12 per cent up to the very high level of some 54 per cent per year. There are companies that find the return in providing instalment credit and charging high rates of interest so lucrative that it is reported they are most anxious to promote the instalment end of their business even at the expense of cash sales.

In the whole field of instalment credit the great retail corporations are charging exorbitant rates. I have placed on the record on previous occasions the very high interest rate for instalment credit charged by Eaton's and Simpsons-Sears. The smallest purchase one can make from these companies under the instalment plan is an article worth $20 for which they make an interest charge of $2.25, with payments at the rate of $5 per month. This works out to an annual interest rate of 54 per cent. On previous occasions I placed this figure on the record, and at the time some members questioned whether or not the mathematics were accurate; but no one has yet shown that this figure is in any way inaccurate. I suggest to hon. members that such a rate should not be tolerated in Canada at this time. The purpose of the bill is to prevent such an exorbitant rate being charged.

A tremendous amount of instalment credit is involved in the purchase of automobiles, and the interest rates I have looked at range from 16 to 22 per cent per year. These rates are charged by the main companies in the field of providing credit for the purchase of automobiles. There are examples of companies charging much higher rates. I have in my hand a letter from the Middlesex Acceptance and Discount Company, London, Ontario, showing that on an unpaid balance a rate of 29.7 per cent had been charged. I suggest to hon. members that such a high rate is a disgrace to our country, and warrants action by members of parliament to see that such a high rate is prohibited in the case of automobile financing.

Another very large credit field in which huge interest rates are being charged has to do with second mortgages on houses. The government has provided excellent legislation for the purchase of homes. Even in the purchasing of homes, where large amounts of credit are available at lower rates of interest, it is often necessary for a purchaser to obtain a second mortgage, and in the buying of older homes the rates are often very high indeed.

In 1958 the hon. member for Vancouver East (Mr. Winch) placed some concrete examples on record showing the very high rates that are being charged on second mortgages. One example he gave at that time indicated that where a person wished to obtain a second mortgage for $4,250 he not only had to pay what I would suggest was a very high rate of interest, 7 per cent, but in order to get a mortgage of this size he had to pay a bonus of $750 and sign a mortgage for $5,000. Other examples were placed on the record by the hon. member for Vancouver East. He showed in the case of the example to which I have just referred that the interest rate worked out to 15½ per cent. Other examples involved interest rates of varying amounts, but all of them were in that general range.

The passage of this bill would prevent such high interest rates being charged on second mortgages for home owners. This bill as it is now drafted would not apply where the interest rate is limited by a particular law. It would apply to interest rates that are not controlled by a particular law. Since that is the case, this bill would reduce to 12 per cent per annum the interest rate that may be charged by small loans companies making loans in excess of $1,500.

In 1956 we had a very long and very useful discussion both in the house and in the standing committee on banking and commerce with regard to the whole question of interest rates charged by small loans companies. Although the government at that time was reluctant, and although many members of the Liberal party in the banking and commerce committee at that time commenced by questioning the very purpose of the bill that was before the committee, I suggest that as a result of pressure of public opinion, sound arguments from those who approved of further controls on small loans companies, and some very definite pressure by the then minister of finance, Hon. Walter Harris, that bill was recommended by the committee to the house and subsequently passed. As a result of the passage of the bill there was an increase in the area of control from a ceiling of $500 on loans made by these companies to a ceiling of $1,500.

Interest Act

The effective rates that small loan companies are allowed is still high. Beyond the $1,500 there is no control, and there is no limit. I have in mind an advertisement, a so-called letter, which was sent to householders in Ottawa approximately a year ago over the signature of the manager of Pacific Finance Credit Limited, which reads as follows:

> We will lend you up to $3,000 to consolidate your debts. Why not call me at Central 2-9476 and have a chat about it?
>
> Yours truly

I believe the amount of $3,000 is suggested because if you obtained a loan of $3,000 there would be no control by parliament or anyone else on the amount of interest that could be charged. The passage of this bill would result in the control of interest rates charged by small loan companies on loans over $1,500.

Why are we asking that this bill be considered? We are asking the government to consider this bill because it is the ordinary Canadian who is paying these fantastic interest rates. Do I hear somebody say they do not have to pay them? If a young couple get married, they do not need a refrigerator or a washing machine or a home? They do not need this kind of credit? They can sleep on the street and they can eat at one of the neighbours? They do not need to buy all these articles to which I have referred? Of course that is not true. Canadians need credit. They have to have credit, and when they have to have credit they are forced to pay these fantastic rates of interest. I am suggesting that the government should take action in this field, and should study this whole question.

I have been in the house long enough to know that public bills introduced by private members are seldom passed. However, there are many instances in which the debate on a private member's bill has led to action by the government. I have no particular pride of authorship in the exact wording of this bill. I do submit that the principle contained in the bill is a good one, and it is something that the members of this house should study carefully.

I would ask the government to consider the possibility of referring this whole question to the standing committee on banking and commerce so we could go into this matter very carefully. I think it is time the government and parliament took action to remove Canadians from the clutches of loan sharks. These people are loan sharks, whether they masquerade as a respectable large retail firm or as a small loans company or as a company with a name like Beneficial Finance

Company. They are loan sharks and parasites, because they are charging these fantastic rates of interest which poor people must pay.

As we face a condition of recession and unemployment, then more and more people with smaller incomes will be forced to go to these companies to borrow money at these huge interest rates. One cannot argue that people pay these rates voluntarily, that they do not have to have the money. If there is sickness in the family, if an operation for a loved one in the family is necessary, if expensive drugs are necessary, the father of a family will pay any rate of interest, no matter how fantastic, to provide such essential medical service. I suggest those are the very items, these essential services, that place people in the hands of finance companies.

Perhaps another reason why people go to the finance companies is the type of high pressure advertising, the slick advertisements, asking people to come in and talk over their debts and their worries. I have in my hand an advertisement put out by Consolidated Finance Corporation, suite 26, Imperial Bank of Canada building, 171 Yonge street, Toronto. What does it say?

> Here's the answer to your debt worries . . .
> The present high cost of living makes it often very difficult to meet the demands of all your creditors.
> The result: you get phone calls and letters of demand from your creditors, garnishees on your pay, court judgments and seizures, lawyers' actions . . . problems upon problems.
> Now, with one visit to the office of Consolidated Finance you can shed your problems. Simply make a list of all debts you owe for: hospitals, automobile, furniture, jewellery, groceries, doctors, lawyers, loan companies, etc.—then see us.
> With one regular payment to Consolidated Finance all your debts will be taken care of . . . all your financial worries ended.

What soothing syrup that is.

> Security or guarantors are not required. 99 in 100 people are honest—

The company, therefore, say they are not going to have many bad debts.

> So act now—make a list of all your debts—pick up the phone and make an appointment with Consolidated Finance Corporation, Empire 6-3322.

Finally, at the bottom there is this:

> We have a "heart"—in the "heart" of Toronto.

If you ever walk into this office I would suggest you are not likely to get out of their clutches for many years to come. The evidence that was brought before the banking and commerce committee in 1956 by the superintendent of insurance indicated some of the fantastic rates that are charged by small loans companies. I remember clearly that he brought in evidence to the effect that a small loans company in Toronto had

charged rates of 75 per cent a year. In a country like ours surely, it is time parliament took action to outlaw such fantastic interest rates.

Somebody no doubt is going to stand up and say, "Some of these things are all right. We might like to move in this direction, but the draftmanship of this bill is inadequate and inferior". Mr. Speaker, may I say this. One can obtain the best legal advice available to a member of parliament in the drafting of these bills; nevertheless one is always faced with that argument. This particular bill has been drafted in the general language that has been used in the Small Loans Act, namely clause 2, paragraph (a) which defines the word "cost".

In the evidence given before the banking and commerce committee by Mr. Varcoe, the deputy minister of justice, it was pointed out by him that the Small Loans Act which controls all charges made by small loans companies within a certain area has never been challenged in the courts, and in his opinion was fully within the constitutional powers of the federal government. I suggest that there is no question whatsoever that this bill is drawn in such a way that if it were passed by this parliament, its terms would and could be enforced.

When the deputy minister of justice was before the banking and commerce committee he was asked a number of questions. As reported at page 684 of the minutes and proceedings of the committee he was asked this question by Mr. Enfield:

> Q. So the conclusion of the argument, then, is that any charges whatsoever under a conditional sales agreement by way of prior discount could, if we wished be regulated by an act?
> A. That is correct.

Then again as reported at page 692, a question by Mr. Follwell:

> Q. Mr. Enfield and I were looking at section 2 and we saw there that with respect to automobiles or real estate that the interest could be on whatever the agreed basis is.
> A. Yes.
> Q. That is a fact?
> A. Yes.

And further down the page we find a question by Mr. Crestohl:

> Q. Take these acceptance corporations.
> A. As far as the acceptance corporations are concerned, they do not do what they are doing by virtue of any provincial law, but they do it by virtue of the fact that there is no federal law.

In other words these companies are able to charge these exorbitant rates of interest because there is no federal law to control them. I would suggest, Mr. Speaker, that this is a bill that warrants the support of the members of this house. I ask the members on the government side of the house to

allow this bill to come to a vote today, and to let hon. members express their own individual opinions as to whether or not they think action of this kind is necessary.

Under the former administration, the Liberal government, the situation used to be that a number of private members' bills and resolutions came to a vote. It is quite true that if there was one that was a particularly hot potato, perhaps it was talked out; nevertheless the former government over the years allowed a great many private members' bills and resolutions to come to a vote. But this government, with its overwhelming majority, seems to be timid and frightened with regard to the matter of allowing a private member's bill or a private member's resolution to come to a vote. The amount of courage, if I may use that word, Mr. Speaker, seems to be in inverse proportion to the size of the government's majority.

I suggest that the government should allow members of parliament to deal with these bills by way of a vote. Private members' days in the past, in my opinion, have been important. A private member's bill or a private member's resolution is allowed discussion in the house without the government being committed. When a vote on such a bill or a resolution is taken, an opportunity is given to members of parliament individually to say what they think of the bill. If that were done in this case I am confident that at least some members on the government side of the house would support the bill. If a bill like this were allowed to come to a vote when it is presented to parliament, I believe that as time goes on more and more members would come to support it and that we would come closer to the day when its provisions became law.

But if the government continues to take the attitude which it apparently takes, namely that no private member's bill and no private member's resolution shall come to a vote, that one government speaker after another shall be placed on the list, then the government is making a farce of the whole procedure for dealing with private members' motions and private members' bills. It makes a mockery of our procedures in this house. I would suggest that the government, from its own standpoint, is taking the wrong attitude. I think the government would be in a better position to bring forward worth-while legislation if it allowed members of parliament, by a free vote, to express their individual opinions on a given piece of legislation.

I appeal to the members on the government side of the house to allow this bill to come to a vote today. I know it is going to be argued that if you put a limit of 12 per cent on interest rates, you are going to make it impossible for people to obtain this kind of credit. I do not believe that for a moment.

An hon. Member: Why not?

Mr. Argue: That was the story we heard when we moved to reduce the interest charges made by small loan companies, but they are still in business. They have more advertisements on the radio now than they used to have a few years ago. They are still putting out literature asking people to come in and get rid of their worries and take one of their obligations. I think any business firm that cannot make a profit at a 12 per cent interest rate should not be in business, because it must be extremely inefficient if it is not able to pay its expenses on a high rate of 12 per cent.

If it should be correct that a ceiling of 12 per cent on interest rates is going to make it impossible for Simpsons and Eaton's to provide instalment credit—and I do not believe that for a moment—and if it is going to put out of business the Beneficial Finance Company of Canada and the Consolidated Finance Company Limited, may I say that the C.C.F. will not weep. Perhaps that would be the best thing that could happen from the standpoint of the ordinary borrower in this country. At the same time I hasten to say that it would be the duty of the government to provide an alternative means of obtaining credit at reasonable rates of interest. The chartered banks of this country are not doing a job in the matter of providing money by way of small amounts to the ordinary borrower. The Bank of Canada statistical summary that I have in my hand—

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

Mr. Argue: Yes.

Mr. McGee: Is the hon. member not aware of the recent steps taken by the Bank of Nova Scotia to enter this field?

Mr. Argue: I am aware of all these steps, but I just happen to have the statistics that are put out by the Bank of Canada as to the total amount of loans made by the chartered banks in this country in the personal loan field. Just how high a personal loan goes I do not know, but the amount is only approximately 25 per cent of the total amount of consumer credit in this country. Obviously the banks are not doing a job in this field, and there is evidence to that effect. There was evidence given before the banking and commerce committee a few years ago, and as this government follows the policy of higher and higher interest rates and as the bank discount rate goes up and the margin

on which the chartered banks operate goes down, the banks become less and less interested in a large number of small accounts and more and more interested in providing large loans to corporations. What do the banks do? Banks are very happy to lend money to these finance companies, these legalized sharks about which members of the present government are apparently prepared to do nothing. The banks are happy to carry these big loan accounts for the small loan companies, but they say "no" to the ordinary person who comes in for a small loan and who is often in dire need of money.

I suggest it is time that the federal government itself should enter the field of providing loans to ordinary borrowers at reasonable rates of interest. We have an industrial development bank in this country which is federally operated. Hon. members can, if they like, say this is socialism, and therefore bad. Everyone in parliament is in favour of it nonetheless; everybody votes for it. I suggest that if the chartered banks fail to do this job, as they are now failing to do it, it is time the government took action by providing a publicly owned banking system to furnish these loans. This could be done by a change in the system of operation of the industrial development bank or by some other means. It would provide some real competition for the chartered banks who are not doing a job in this field.

Another method which might be followed—and I think it would be a good method—would be to study whether or not credit unions in Canada could be given the full rights which are now provided to the banks. I believe that if the vast number of credit unions in this country were incorporated as chartered banks and if the government were to give them the same consideration as is given to the chartered banks the credit unions could expand even more rapidly in the future than in the past. On this point I might say that credit unions and people interested in credit unions all across this country are turning increasingly to the belief that the time will soon come when credit unions should be given a federal charter to make them in fact the peoples' banks of our country. If credit unions had this further power I think they would be able to expand their business and provide the type of credit which is necessary to meet the needs of the ordinary borrower in Canada.

I have no hesitation about moving this bill again. I think it is a blot on democracy and a blot on the so-called free enterprise economic system that ordinary borrowers should have to pay this fantastic rate of interest. We have in the C.C.F. group moved similar bills in the past. We have never obtained full satisfaction, but in 1956 we made some substantial progress. I ask that this whole question be referred to the banking and commerce committee for a thorough study. In 1956 when the measure under consideration at that time was before the banking and commerce committee we had what were then dubbed by one hon. member, 50 men in grey suits, representatives of the small loans companies, sitting in as observers of the committee, some of whom gave evidence in an attempt to kill the measure which had been passed by the House of Commons on second reading and referred to the committee. We do not need evidence from this kind of people. We have heard their evidence. I think it is time we had brought before the banking and commerce committee representatives of farm organizations, representatives of labour organizations, representatives of credit unions and representatives of consumer organizations to see whether working together we can provide in this country a system of credit at reasonable rates of interest. I say that the 12 per cent ceiling prescribed in this bill is a very high one. It is one above which no interest rate in this country should ever be allowed to rise.

Mr. William Skoreyko (Edmonton East): Mr. Speaker, in rising this afternoon to speak on this motion I feel my first action should be to offer some words of congratulation to the hon. member who has brought this motion before the house. I am sure the hon. member who introduced this motion did so from a motive of anxiety to serve the public in this regard. I know he feels, as many of us do, that on occasions there have been cases where some members of our society have paid what must seem to all of us, on the surface at least, exorbitant rates of interest. Certainly I have no quarrel with this bill, the aim of which is to bring relief to some of those people who find themselves from time to time in the position of having to pay two or three times the rate of interest at which most business people can borrow money.

I am sure, also, that the hon. member who introduced this bill did not intend to make it more difficult for the people of this great nation to borrow money. I think he intended to keep to a reasonable minimum the amount of interest a Canadian citizen must pay for the money which he has borrowed. I do not wish to labour the point, but I feel that this bill is important to my constituents and, therefore, that it is very important to me. It is, of course, all the more important to make sure that what I have to say on this

bill will not be misconstrued by anyone in this house. I will go further and ask the indulgence of the house in this regard for what I have to say, no matter how elementary it may be on this issue. The truth is that I am anxious to see no person, man or woman, wealthy or poor, pay more than a reasonable amount of interest for any sum of money which circumstances may require them to borrow.

I must confess, however, that I am greatly troubled about achieving the objective which this bill seeks to ensure. Both the hon. member who introduced this bill and myself wish to make sure that no one can be victimized by the imposition of extra rates and by having to pay interest rates which are higher than those at which money can normally be borrowed from institutions such as banks. Just as much as I am concerned with the possibility of hardships on my friends in having to pay excessive interest charges, I am concerned with the thought that my friends must be able to borrow money as well.

Here is where I find I have some difficulty with the bill proposed by my hon. friend who wishes to limit the interest rates payable by any person in Canada no matter how such a person may happen to borrow money and no matter in what circumstances he may have to pay it back. There are some things I should like to point out to my fellow members of this house all of whom are interested in protecting their constituents from usury. I am a business man. It is true that I am a small business man and as such I have very little knowledge of the workings of high finance and the involved financial transactions that occasionally are necessary to float a major industrial activity. My business is a small one and my dealings are therefore almost entirely with ordinary people who are accustomed to dealing with me in very small amounts of money.

I hope I may be pardoned, Mr. Speaker, for feeling, to some extent, capable of speaking on this subject from the point of view of the small businessman. I happen to represent these as a class. I shall perhaps be forgiven for attempting to portray the point of view of the ordinary working man who happens to be my best customer, my usual and political contact and who in fact is representative of the fine Canadian people who are my friends and constituents.

I must confess that my first concern about this bill, which I am sure is that of all those in this house or outside of it who are small businessmen like me, is the question of the effect such legislation might have on the possibility of the ordinary citizen being able to borrow money. I realize that more than the borrowing potential of the ordinary working man is at stake. Certainly for some small businessmen and especially those engaged in new, small and as yet unestablished businesses, it is every bit as important as it is to the average working man.

Credit in today's scheme of living is extremely important. I could go further and say that credit is the most important factor in the economic life of working people today, second perhaps to the holding of a job itself. The extending of credit or financing of money is really one and the same thing to us. It makes no difference whether I extend credit to a customer or whether he borrows money to pay me, the purport of this bill could be instrumental in deciding whether or not I can do business with a customer. Certainly I do not want to do business with him if he does not have the cash in some cases, and in other cases he cannot do business with me if I cannot arrange on my own the credit to cover the particular business transaction we have in mind.

I believe that my last comment has really brought us into the heart of the problem, one that consideration of any legislation dealing with interest always brings to mind. We must provide or maintain an incentive for the people with money to lend money to those who need it. Expressed another way, people who have money do not want to lend it unless there is a reward for allowing someone else to use it. People can invest money in many kinds of business, the object of course, always being the same, to earn a profit. If there is going to be money available for loans the lender must be assured of a profit and he seeks the highest profit he can obtain.

A major factor in determining the amount of profit that is made in the money lending business is, of course, the interest rate. The interest rate is determined to a certain extent like the price of other commodities is determined and there is the consideration that you want to get the best price and still get a lot of customers. The borrower would like to get his money for nothing and somewhere in between the money-for-nothing viewpoint and a desire for large profit is a mutually agreeable rate of interest that must be reached before money will be loaned or borrowed.

The bill before us today does not attempt to set an interest rate for everyone but it does set a maximum interest rate which can be demanded or paid. If we are to make an intelligent decision on the merits of the proposed bill we are forced to consider the factors which influence interest rates. As in the case of other commodities which are bought and sold, there are such factors as market fluctuations in the money market.

Usually an overabundance of goods in a store leads to sales at cut prices. In the financial world large supplies of money available to borrowers usually means that the interest rate will have a tendency to go down.

We should also bear in mind that in those cases the lender is himself a borrower so we must consider not just the amount of money that a finance company, for instance, happens to have on hand during a particular year, but we have to consider the amount of money his financial supplier happens to have on hand. Sometimes the amount of money available in the consumer finance field is not quite adequate to meet the demand of the credit buying of the nation during a particular period and this relative scarcity in the secondary sources of supply puts an inflationary pressure on the interest rate right down the line. I do not pretend to be an economist but I do have some experience and know what the effect is on my friends and constituents when they find themselves unable to get the amount of credit they require from time to time.

The scarcity of secondary supply of money may mean not only that the interest rate may rise somewhat but the secondary result of the inability of the usual consumer credit supplier to meet the demand might mean that new sources of money supply may enter this field; that is, there comes a strain on friends, relatives, the pawnshop or perhaps the poor corner grocer who, at a time when he finds his usual credit supply being restricted, is not able to collect at the usual rate from his customers.

Somewhat analogous to the question of supply of money generally, is the question of the number of suppliers. It is a well-known marketing principle and in fact it is one of our strongest beliefs that healthy competition is a very important factor in keeping prices down. Therefore competition in the money lending field is an important factor in keeping interest rates down. There is at all times a natural limit on the amount of interest a person will pay to any of the usual established money lending or finance institutions. There is keen competition between the various companies or agencies engaged in the finance industry themselves. They all want the business and there is a natural pressure driving interest rates down from the usual marketing device of attempting to attract more business than the competitor by making the price of the goods cheaper. Applying that to money it simply means that people who wish to borrow shop for money in the same way they shop for anything else. They try to get the cheapest rate of interest.

As well as the competition within the industry itself there is competition from what I will term irregular or casual sources of money supplied, that is, the friends or relative or occasional lenders. Such irregular sources of supply play a more important part as the scarcity of money becomes evident, or the cost of it from regular sources seems to be out of proportion to the amount of good the borrower feels the loan will do him.

So far I have only mentioned competition among the lenders as a factor in depressing the interest rates, but along with this of course is the other side of the picture, namely the demand for money, or perhaps the competition for money among the borrowers. Canadian people seem to have spending patterns which may vary almost like the weather. At certain times there may be a great rush of consumer buying on credit; at other times there may not be such a demand for that type of money but there is a great demand for finances for expansion of or investment in small businesses, for the development of a new idea or the possibility of industrial development.

The point I am illustrating is that not only may there be a great demand from one type of borrower, or a great amount of competition for one type of lending money, but there may be a demand for other types of lending money, and the competition therefore between the lenders as borrowers from their sources of supply may have an inflationary effect on the interest rate they have to pay which, of course, is felt all the way down the line.

I think I have perhaps said enough about the factors of demand and competition as inflationary or deflationary pressures and as factors affecting the interest rate; they are after all usually broad underlying factors, which the general public is hardly aware of. The most important factor in so far as most people are concerned is that simple word "risk". Certainly, if interest is the reward for allowing someone else to use your money, some part of the interest at least must be the lender's reward for taking the risk that he may lose his money. On an individual transaction the amount of reward by way of interest will set the limit on the amount of risk the lender will take. In plain English, that is the little gimmick that says whether or not the bank or the finance company, or my friends, will lend me money at all.

For the sake of convenience, I would refer to this as the immediate risk factor. It is immediate in the sense that it is the biggest single factor in determining whether or not I can borrow money at a particular time. I think I should now state that the one word that bothers me the most about this bill is that the rate of interest we would arbitrarily

set as a ceiling could fall short of the incentive required to cause any lender to lend money to my constituents or to anyone else at a time and for a purpose which might be a very good and sound reason for them to borrow at that time. In other words, maybe they could not get money when they needed it. I am distressed at the thought of any of my friends paying interest rates higher than those mentioned in this bill, but I am even more distressed at the thought that I might prevent them, or bar them completely, from getting money which might be desperately needed. I will not labour the point too much. I am sure we all have some acquaintance with situations where a very high interest rate is much less important than being able to get some money somehow.

This, of course, is the risk factor on the basis of the single transaction and the direct effect on the interest rate for that single transaction. Risk, however, has an over-all effect on the interest rate covering any particular class of borrowing. There are always some losses. These losses in the money-lending business are part of the cost of running that business. They are just as much an expense as the office help or the office rent. As part of the expenses of the business they must be covered by the selling price of the product. Every borrower, therefore, must pay part of the cost of the losses in his class since it is reflected in the price. That means that the interest will go up or down, depending on how losses have been lately on that class of loan.

Risk is so important—a direct factor and an over-all factor—that lending institutions are classed by the type of risk they run. To put it in another way, while one may lend money on business firms the other may lend money on mortgages and still others may finance only car purchases. It is easy, I think, to see why I am troubled by an arbitrary interest ceiling, when risk is such an important factor in setting the interest rate.

Perhaps it might help to deal just a little with some of the risk factors, such as the length of time of the loan. Obviously, the longer the loan the more chance there is that the borrower may become ill or lose his job, or have sickness in the family. Long term loans actually might see almost a complete change in most of the risk factors. Since it is so hard to judge what might happen, one good way of meeting changed conditions is to try to get as much security as possible for the loan. Security is, of course, merely a means of reducing the risk and the more security the easier it is to borrow at a lower interest rate.

I think I would be wasting the time of this house, Mr. Speaker, if I got into a long involved discussion of long term, highly secured loans. The bill before us would really affect only the short term borrowers—with little or no security. In this class I suppose the car financing and the personal loans are the two largest groups of regular finance dealers. There would, of course, be a host of unorganized lenders who might also be affected.

When I mention car financing, I think we should really consider other laws which enter into the picture and affect rates of interest. In Alberta, as in many provinces, we have a conditional sales act. The most important clause in that act about this subject is the clause limiting the action that may be taken to collect. The act simply says that if a car is repossessed by the finance company it can no longer look to the borrower or buyer for further payment. If the car is worn out when retaken, the sale price may not meet the balance owing and someone takes a beating. This is just another risk factor. Frankly, I feel that a direct effect of the bill before us will be to increase the down payment required on not just cars, but on trucks, tractors, household furniture, and so on.

I do not want to get involved in that very involved argument as to whether or not people should or should not finance so much. I want to leave it to them. I feel that my constituents are grown-up, sensible people, and are able to manage their own affairs. If they want to pay more cash down on a car they can. If they are not able to, our action here might prevent them from buying material things they want. I do not think I am stretching things when I suggest that they might have to keep on driving an old car or living in an old home, or not replacing old furniture because of the action we take here. We would then have defeated our own ends and possibly I would have a constituent mad at me because of the action I had taken.

I want to protect my people as much as I can. I want to help them in whatever way I can. However, I am a little afraid that the bill might not provide as much protection as we want and it might hinder in the manner I have suggested. I think we must give much thought to our most important safeguard, the good common sense of the ordinary Canadian citizen. His idea of what he wants or needs might not be the same as mine. Each of us may find himself thinking that our neighbours are unwise on some occasions in the way they handle their money. I have some friends who I think spend too much on sports equipment. Maybe they do not

make a big enough down payment. On the other hand, that is the nice thing about a free country. We can even be foolish if we want to. I think we must make haste very slowly in this matter. We do not want to make protection an unnecessary restriction on freedom. Here is a thought that must give us pause.

(Translation):

Mr. Adrien Meunier (Papineau): Mr. Speaker, I have listened very carefully to the hon. member for Assiniboia (Mr. Argue). For many years, the hon. member has been proposing a similar bill in the house, and I understand that when he uses the word "interest" in the bill, he means commission, brokerage, inquiry and other costs, since in all those financial transactions of chattels or movables, the finance companies do all they can to pass collection charges on to the borrowers. In a few moments, I shall give you a few examples of what I mean.

This bill would set a maximum interest rate on transactions between consumers and their creditors, in connection with deferred payments.

According to section 91 of the British North America Act, the legislation governing rates of interest is a responsibility of the federal government.

However, it must not be forgotten that property and civil rights come within the jurisdiction of the provinces, and that they alone may legislate in this matter.

However, since the interest rate in no way affects individual property rights, I believe it would be of service to the consumers if an interest rate were fixed for business transactions involving instalment sales.

In the province of Quebec, there is a chapter in our statutes which governs instalment sales. It has been in force since 1947. The act provides that the seller must require of the buyer, as first instalment, a certain amount in cash, the interest rate being fixed at $\frac{3}{4}$ of 1 per cent. However, that law applies only to retail sales, not exceeding, in any one case, $800.

There are, however, several exceptions; the law does not apply to the purchase of ships, farm implements, stationary engines and cars, to name but a few items.

Unfortunately for Quebec consumers, this legislation on deferred payments is not fully enforced, and large department stores still urge customers to buy on the instalment plan, by means of signs bearing the words "no down payment" in big block letters.

As the provincial act provides no penalty for delinquent dealers, it has practically no effect.

In the case of sales in the medium price range, as we know there are carrying charges, covering bookkeeping and administration, as a means of evading the law. Those medium price sales, apply to such items as washing machines, refrigerators, radios, television sets and certain items of furniture. Charges levied by the stores on such items appear rather unreasonable. However, since the amount of the purchase is not too high, the purchaser eventually manages to pay off his debt.

Yet, Mr. Speaker, there is one field in which interest rates are excessive, burdensome, and usurious, and I refer to the sale of cars, where the item being financed has greater value and is priced higher.

According to statistics, about 70 per cent of car sales are financed sales and, as of 31 December 1957, companies had financed such sales to an amount of $639 million. In my law practice, I am constantly dealing with these rapacious and usurious firms, and I think it is in the interest of the people of Canada that they be told of the methods of operation of those companies. First of all, those finance companies are in competition, and in the past two years, they have been pressing car dealers to get their business. To get this business, they agree to give the car dealers a 25 per cent commission on new cars and 15 per cent on used cars for any amount financed under the sales contract. However, the commission is payable only when the purchaser makes his last payment. Besides appealing to car dealers, they buy space in magazines and newspapers, and time on the radio. You would think, on reading those ads, that they are out to do a favour to people willing to do business with them. They make a show of fair competition and draw customers by alluring advertisement. Yet, in some cases their interest charges run as high as 25 percent, on the grounds of the high cost of inquiries, investigations and commissions.

I would even say that sometimes their interest charges run as high as 35 per cent, in cases of refinancing. Let me give you an example. Suppose a buyer has had his car financed for 18 months and was charged, say, $200 in

carrying charges. Now suppose the buyer runs into financial difficulties and wants his payments spread over a 24 or 30 month period instead of 18 months. In that case, he has to agree to additional finance charges for the new period, based on the unpaid balance, which already includes the original finance charges. In this case the buyer has to pay interest on the original amount of interest that had been charged to him. Other companies are even bolder. At the time the buyer is signing his contract, he is asked at the same time, in the car dealer's office, to sign a note for the same amount as the contract, and the car dealer assigns both instruments, the note and the contract, to the finance company. If the buyer returns the car, he is not credited with the value at the time of delivery and required to pay only the balance, but the car is sold, and the finance company, as true owner, sues the purchaser for the note, under the Bills of Exchange Act, and the purchaser has no choice but to pay.

All those examples, Mr. Speaker, show that the government must take steps to protect people who have to buy on terms. Those finance companies are subject to no control at all, and do just about all they please. I believe the government should investigate their methods and put a stop to their cunning and their greed.

The hon. member for Assiniboia said earlier that, because of the methods they stoop to, finance companies are crippling this country's economy. In fact, many buyers are in financial trouble because finance companies are forcing them to pay money they do not owe. I realize that there are times when people have to borrow, because of particular circumstances, but then the government should protect them against callous, soulless profiteers.

A few years ago, Mr. Speaker, finance companies used to follow a certain policy, but today competition, high pressure and publicity are such that those companies do not know where to stop. I suggest that the government take steps to check their insatiable appetite.

Since 1956, we have had in our statutes legislation which governs small loans not exceeding $1,500. When that act was passed, finance company representatives complained before the committee on banking and commerce, of the predicament in which they were being placed, said that they would not be able to stay in business. Since then, they have kept operating for the benefit of borrowers, and none of them ever went bankrupt or had to quit.

If after due inquiry, the government of the time adopted the right legislation for the welfare of the people of Canada and of the borrower, I wonder why the present government could not do the same regarding the interest rate charged by those big companies that are putting the squeeze on borrowers.

I believe, Mr. Speaker, that a committee could be set up—we already have the committee on banking and commerce—and I agree with the hon. member for Assiniboia (Mr. Argue) who suggested that this bill be referred to the committee on banking and commerce where these companies could be asked what profits they are making, and where borrowers' unions and other people concerned, like car dealers could be heard. I am sure that in his report that committee would suggest that a bill be introduced in the house like the one which was adopted when the Small Loans Act was enacted in 1956, an act that would protect the people of Canada.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I heartily endorse this bill to amend the interest act. The reason given for the bill is as follows:

> Section 2 as at present provides that there is no restriction as to the rate of interest except as provided by statute. The amendment limits the rate to twelve per cent. This section now reads as follows:
>
> "2. Except as otherwise provided by this or by any other Act of the Parliament of Canada, any person may stipulate for, allow and exact, on any contract or agreement whatsoever, any rate of interest or discount that is agreed upon."

Mr. Speaker, allow me to draw your attention to the advantages of credit unions or "caisses populaires" which are more flexible than any other financial institutions in their dealings with borrowers.

Caisses populaires are also performing an educational and moral function by supporting such activities as campaigns against obscene publications.

There are also farm establishment funds, developed by the Quebec clergy and by the UCC, which lend money at very low rates to farmers' sons who wish to settle on a farm of their own; in a sense, they supplement the provincial farm loans. The Quebec provincial farm loan bureau also loans money at 2½ per cent, a world record.

Credit is vital for any nation that wants to expand. Our prosperity is largely dependent on credit. Reasonable rates of interest would allow more Canadians to satisfy their needs, and would at the same time increase the purchasing power of many more.

I hope this piece of legislation will be passed, because people could then borrow at reasonable rates. Unfortunately, interest rates are such that they appear high to the poor and low to the rich. In my view, at the present time the gap is much too wide.

Year by year, loans are becoming more important in Canada, and more Canadians are taking advantage of this. Workers are constantly being bled by those loan sharks.

The federal government should, if possible, require finance companies and business firms to show borrowers, or users of deferred payments, how much per cent yearly they are being charged on each transaction.

In many cases, as someone said a moment ago, some of those loan companies abuse the public with misleading advertising. The practice whereby certain firms charge monthly interest on loans and instalment purchases does not indicate to the purchaser or to the borrower the actual rate of interest he is paying. Very often, people who apply for loans are unfamiliar with business practices, and some borrowers do not realize that while the amount of the loan is constantly decreasing, the rate of interest remains constant.

It is also true that many people who borrow from small loan firms are poor risks and that the firms protect themselves indirectly by charging a high rate of interest to make up for possible losses.

Mr. Speaker, some of the advertising claims of loan firms are downright revolting. You often see such things as this, for example: "Money loaned on your mere signature; no questions asked".

Mr. Speaker, the caisses populaires have already accomplished wonders and helped thousands of fathers who, otherwise, would have been victimized by those loan companies that are charging too high a rate of interest. Seventy per cent of people who borrow from loan companies are working people. That is why I am in favour of this bill which suggests a lowering of interest rates, that is to say a limitation of the interest rate.

This limitation of interest rates would save thousands of dollars to Canadians. Loan companies are lending hundreds of thousands of dollars. These fabulous amounts cover the purchase of cars, T.V. sets, refrigerators and furniture. And who is buying those things through those loan companies? As a rule, it is the working class, the average Canadian. Most of the loans made are for the purchase of automobiles. Do you know that about 85 per cent of Canadians are buying their cars on time? Now, a car does not belong to its buyer until he has paid the finance company his last instalment. In other words, he may lose the car if he is behind in his payments. It is a mighty profitable business and one that covers Canada from coast to coast. And it is a thriving business, too. Loan companies are getting bigger and more numerous from year to year.

It would be a good thing, in my opinion, if the government encouraged the caisses populaires by giving them, in any case, the same kind of guarantee that is now given to chartered banks, so that the caisses would be on equal terms with chartered banks in the field of loans to ordinary consumers.

May I point out, incidentally, the benefits that credit unions are providing across the country. First, they do away with the costly go-between, while lending money at a normal and legitimate rate of interest. How many economic services can be developed and operated so as to give entire satisfaction while eliminating three fourths of the useless charges entailed by the costly intermediary of today. Secondly, they provide great social services to both the labourer and the farmer. Thirdly, they are centres of information and education. As I said earlier, the caisses populaires are a vital part of our country's economic life. To them, man comes before money.

I read recently in *Le Droit* of Ottawa, an item entitled:

> Too much credit can be harmful. There is nothing bad about credit, per se. At times, it is even a necessity when it allows the purchase of essentials or very useful things, such as a home. It is excessive credit that is to be feared.

And the steep rates charged by certain loan companies.

> Today, newlyweds can furnish a whole apartment without paying a single penny down. They have up to 36 months to pay for their furniture! Many of them have already a second child before their payments are completed.
>
> Last May, before the "wedding month", revealing figures were published on the financial status of couples who marry these days. Out of 368 prospective bridegrooms questioned, 5 per cent had no savings, 51 per cent had less than $500 in

the bank and 86 per cent had less than $1,000. Only 57 out of 368 had $1,000 or more in the bank or on hand. One could well describe them as "financed" rather than "affianced".

Of course, as we pointed out, it may be necessary to buy on credit in certain circumstances. But, many people overdo it. Instead of living out of current income, they get into the habit of living on future earnings. They did not cultivate in their youth that splendid virtue of foresight. Credit unions, incidentally, are doing a fine educational work in this regard; many schools now have their "School Penny" system, to train children to save.

Mr. Speaker, the attitude of banks toward the caisses populaires amounts, in my view, to downright persecution.

The caisses had obtained from the banks that caisse drawn cheques be exchanged at no other charge than the regular commission of $\frac{1}{4}$ or $\frac{1}{8}$ of 1 per cent, the exchange rate applying to all banks.

Up to January 2, the banks and the caisses populaires shared that commission. Today, not only do the banks keep it for themselves, but they even charge 5 cents on all cheques drawn on a caisse.

There are now in Canada over 2 million members of caisses populaires, credit unions included. In the province of Quebec, 1,260 caisses populaires have formed a federation, that of Levis. This federation alone has a million members. To those figures, we may add the members of the small federation of Montreal which groups 15 caisses populaires.

In a statement published in Montreal newspapers, Mr. Lamarche estimated at $890,000 the caisses' operating cost entailed by the new stand taken by the banks.

To justify their stand, banks referred to their own increased costs. The federation offered the banks to make up for it. This offer was laughed down.

To this first difficulty, banks have added two others. They now charge 70 cents for each $1,000 of bank notes that the caisses get from them, and 50 cents per $100 in coins.

In my opinion, Mr. Speaker, this behaviour contrasts with the educational work done by the caisses and the financial support they represent for the banks. Federation caisses generally have deposits in banks amounting to $15 to $25 million. This money bears practically no interest and consequently represents an asset for the banks.

Mind you, Mr. Speaker, I hold no brief for either the financial institutions or the caisses populaires. I am merely putting forward suggestions to the house. In order to by-pass these difficulties, as I said, caisses populaires and credit unions should, if possible, establish a charter bank to facilitate their own operations, even if provincial laws have to be amended. Or if these laws cannot be amended, the caisses populaires could get around the difficulty by doing business with a bank established by some of their own members as private individuals.

Until a solution is forthcoming, experiments are being made in some places. For instance, in Joliette, in the constituency of Joliette-L'Assomption-Montcalm, which I have the honour to represent here, the caisses populaires have agreed on the mutual exchange of cheques.

Elsewhere in Quebec, for instance, large stores and financial firms, of their own accord, have come to the rescue of the caisses populaires, by opening accounts with them and exchanging the cheques they get from their customers, who are caisses populaires members.

The importance of the services rendered by the caisses populaires becomes more obvious, when we realize that 452 villages and small communities in Quebec have no branch of a chartered bank. Caisses populaires are the only places where they can do their banking and leave their savings.

The Quebec federation of caisses populaires, as well as each individual regional union stood as follows, on November 30, 1958:

Membership	1,060,666
Borrowers	165,533
Active loans, as of November 30	$285,677,111
Total reserve	$ 24,075,246

As you can realize, Mr. Speaker, caisses populaires are indeed popular. The region of Joliette is perhaps one of the most developed regions in the province because, according to statistics, the amount of savings per family exceeds $1,000.

I urge at this time the caisses of other areas in the province of Quebec to follow the example of the city of Joliette, that is the federal constituency of Joliette-L'Assomption-Montcalm.

Mr. Speaker, before closing, I would like to say a word of the Desjardins district caisse of Joliette, a corporation which comes under the co-operative syndicates act of the province of Quebec and state its position as of August 31, 1958:

Interest Act

ASSETS:	
Bond investments	$1,941,578.84
Miscellaneous investments	83,350.00
Securities with district unions or central unions	925.00
LOANS:	
Promissory notes	29,772.75
Mortgages	60,900.00
Co-operatives	49,450.00
Church fabrics and religious congregations	67,750.00
Municipalities and School boards	177,500.00
Real estate	31,600.00
Inventory (furniture, etc.)	13,365.42
Cash as of August 31, 1958	927,838.01
TOTAL ASSETS	$3,384,030.02
Expenditure	26,078.27
Interest paid	52,185.92
TOTAL	78,264.19
GRAND TOTAL	$3,462,294.21

Mr. Speaker, Canadians in all walks of life should be encouraged to join the caisse populaire movement. Those unions have proved their worth. At first, they had to overcome huge handicaps. The caisse populaires of the province of Quebec have now run into difficulties with the chartered banks. I urge the people of the province of Quebec to back the caisses populaires and to help them so that those financial institutions, indispensable to the average Canadian, indispensable to the worker and farmer, might carry on their good work in the interest of the average Canadian.

Mr. Speaker, the current situation between them and the banks is unfortunate. Banks have a place in society. Chartered banks render a tremendous service to society, but caisses populaire are indispensable to society. I would even say that, with all due proportion, they are more beneficial than banks, because caisses populaires take moral values into consideration. The city of Joliette has been expanding at an extraordinary rate in the last few years, partly due to loans granted to workers. Do you believe, Mr. Speaker, that other financial institutions, such as loan companies or even banks would have shown confidence in the workers to the same extent as did the caisses populaires? I doubt it, because not only do caisses populaires loan money at low rates that all Canadians can afford, but they take into account the moral character of the borrowers.

[Mr. Pigeon.]

I associate myself with all organizations which have protested against the attitude of chartered banks, and I again urge the caisses populaires to stand firm and to continue their good work. They can be assured of the full co-operation of the present member for Joliette-L'Assomption-Montcalm. I cannot speak for my colleagues, but I know others in this house share my views and feel that chartered banks are not acting in good faith, nor in the interest of the average Canadian, in seeking to cause hardship to the caisses populaires. The people are on the side of the caisses populaires because they are closer to the people than any other financial institutions.

I support the bill proposed by the hon. member for Assiniboia, and I hope it will be passed.

(Text):

Mr. Gabriel Roberge (Megantic): Mr. Speaker, I have no quarrel at all with the hon. member who has just resumed his seat, but I should like to enlarge somewhat the scope of the discussion on this bill, and in order to put before the house what I have in mind I think it would be a good thing for me to read section 2 of the act as it now exists and, also, the proposed amendment.

In chapter 156 of the Revised Statutes of Canada, section 2 of the act reads as follows:

> Except as otherwise provided by this or any other act of the parliament of Canada, any person may stipulate for, allow and exact, on any contract or agreement whatsoever—

I should like to underline, at this point, the words "contract or agreement". The section continues:

> —any rate of interest or discount that is agreed upon.

Section 2 as it is intended to be amended, reads as follows:

> Except as otherwise provided by this or by any other act of Parliament no person may stipulate, allow or exact on any contract or agreement whatsoever, a rate of interest in excess of twelve per cent per annum, whether it is called interest or is claimed as a discount, deduction from advance, commission, brokerage, chattel mortgage fees, or recording fees, or is claimed as fines, penalties or charges for inquiries, defaults or renewals or otherwise—

I should like to call attention to the presence in this section, also, of the words "contract or agreement".

If we refer to the act as it now stands we see, in section 3—hon. members will perhaps excuse me if it is more convenient at this point to continue in French.

(Translation):

Section 3 reads as follows:

3. Except as to liabilities existing immediately before the 7th day of July, 1900, whenever any interest is payable by the agreement of parties or by law, and no rate is fixed by such agreement or by law, the rate of interest shall be five per cent per annum.

And I point out again that section 3 contains the word "agreement".

I am therefore led to think, Mr. Speaker, that one might question the applicability of the amendment now under debate and the authority of the parliament of Canada on this subject. The hon. member for Papineau (Mr. Meunier), in referring to that point, said that according to section 91, subsection 19, of the British North America Act, the federal government could legislate on money interest. And he went on to quote section 92, subsection 13 which says:

In each province the legislature may exclusively make laws in relation to property and civil rights in the province.

All hon. members will agree that the central government has the authority to legislate on interest, while the provinces alone have the authority to legislate in relation with property and civil rights.

At this stage of my remarks, Mr. Speaker, I must recall an earlier statement of mine, when I said that section 2 of the Interest Act insists on the word contract or the word agreement and leaves open the rate of interest, but that section 3 of the same act stipulates that, in the absence of an agreement, the rate of interest shall be 5 per cent per annum.

Consequently, in the case of contracts between individuals, a doubt comes to my mind and I wonder if the central government has authority to legislate in such case.

As you no doubt know, Mr. Speaker, there are various constitutional theories. First, there is that of the unoccupied field. On that count, I must say some provinces, namely the province of Quebec, have already occupied that field, as my hon. friend for Papineau (Mr. Meunier), pointed out a moment ago. When he spoke of instalment sales in the province of Quebec, he said, in fact, that they came under the civil code, which also provides for a yearly interest rate of 9 per cent for a period up to 24 months.

There is also another chapter, in our civil code, concerning interest on loans. But other provinces have also legislated in the field of instalment sales, although I do not think they did so in regard to interest rates particularly, but rather in regard to instalment or credit sales.

Chapter 34 of the Revised Statutes of New Brunswick, 1952, entitled "Conditional Sales Act" includes several provisions which are identical to those of the Quebec civil code.

The province of Alberta has also legislated in the field of instalment sales, and I would refer the hon. members to chapter 66 of the Revised Statutes of Alberta, 1955, entitled "An Act Respecting Agreements Relating to Sales on Time and to Cash Loans".

Mr. Speaker, a study of the provincial statutes shows that at least three provinces have legislated in the field of instalment sales, of long term or short term loans, or interest loans. Furthermore, there is another theory, that of ancillary powers. I still have some doubt in my mind about this, which I should like to outline to the house.

You will recall, Mr. Speaker, that in 1919, I think it was, the federal parliament legislated in the field of bankruptcy. There was some doubt at the time, because bankruptcy impinged on civil and property rights, as well as on the jurisdiction of the provinces. The case was referred to the Privy Council, which stated that the federal government could legislate in the matter, because it was a case of ancillary powers.

I have no doubt, as I said, that the central government can legislate on interest rates, but can such legislation go as far as to require the parties involved not to go beyond a maximum rate of interest? That is where a doubt arises in my mind, and in view of this doubt and of the other reasons given in this house, particularly by my hon. friend from Papineau—in fact, this suggestion was made by the mover of the bill we are now considering—I feel that all aspects of this legislation should be referred to the committee on banking and commerce for consideration.

Neither I nor the members of this house have any doubt that finance companies, such as small loan firms, automobile financing firms or firms that loan money under provincial legislation on instalment sales, whether in Quebec or in other provinces such as New Brunswick and Alberta, are charging rather high interest rates. In many cases, they also charge heavy handling fees and investigation fees against which the people

must be protected. On the other hand, I feel there is some doubt as to the federal parliament's constitutional jurisdiction, and that great care should be taken to avoid infringing upon the provincial field of civil rights and property. For this reason and for those advanced by the hon. member for Papineau and other members, I therefore move the following resolution:

(Text):

For all the reasons I have given, because I have some doubt regarding the competence of the federal parliament to act in this regard because it seems to me it might be overlapping provincial rights, and for the other reasons given by the hon. member for Papineau (Mr. Meunier), I should like to move, seconded by the hon. member for Drummond-Arthabaska (Mr. Boulanger):

That the bill be not now read a second time but that the subject matter thereof be referred to the standing committee on banking and commerce.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I am rising to speak at this time in connection with this bill, and an amendment of which I had no previous knowledge. However, it is my feeling that the amendment that was just introduced is a proper one.

At the outset of my remarks I feel I should state that it is my conviction that there must be some limit imposed upon the amount of money that people may borrow and upon the interest rates which they may be obliged to pay. The bill as presented here, however, in my view is too definite in that it states an interest rate of 12 per cent. That is the principal fault of the bill. I do not believe an interest rate should be set at 12 per cent or any other figure without there being held a full inquiry so that members of the committee could examine expert witnesses from the finance field, the lending institutions and banking institutions. There should be some opportunity for investigation and discussion of this matter other than the limited opportunity provided here today. We should not arbitrarily take out of thin air the figure of 12 per cent. Nevertheless I feel the bill is a good one and in that I seem to be in agreement with most hon. members who have already spoken this afternoon. I should now like to draw a distinction between this bill as it relates to financing and the small loans bill. I do not wish to enter into a discussion of the relative merits of the two bills but merely to discuss the different types of lending which are involved.

The present bill concerning interest rates, as I understand it, includes all forms of interest except that charged on small loans as defined by the Small Loans Act. I feel that the subject of interest rates should be divided into three categories each of which has its peculiar problems. The first would be mortgage interest; that is, interest charged on mortgages held on land, or chattel mortgages which are properly secured. The second would relate to bank interest and the third to purchaser credit. Thus far today the main body of discussion has centered around the subject of purchaser credit which normally involves a lien or a conditional sales agreement.

The hon. member for Assiniboia (Mr. Argue) in opening the debate indicated the enormous volume of credit financing that is taking place in Canada. In one sense he may have refuted his own argument. The volume of credit buying in Canada indicates that we must not act in such a way as to completely discourage such buying or cause the drying up of credit purchasing. It may be that imposing a limitation on interest rates would not have that effect but I feel that the imposition of a maximum of 12 per cent would have a detrimental effect on credit buying in general.

I should like to talk about loan sharks for a moment. Rather free use of that term has been made in the house today and I am not sure all of the comments made in this connection are justified. I do not dispute the fact that we have loan sharks in Canada. No one would be so naive. But perhaps we are being unfair to some of the larger companies who carry on well established businesses that are closely scrutinized and whose operations are aboveboard, to refer to them as loan sharks.

I was interested to see what a shark was, and I sent out for a dictionary. It says that the shark has not this name for nothing; that he will make a morsel of anything that he can catch, master and devour. I think that is the definition that the hon. member for Assiniboia places on the word and I agree that there are such people. However, I understand that there are some 150 purchase credit companies in Canada. Perhaps among the smaller of these there are very bad practices followed; in fact, I know there are. The main companies are the Industrial Acceptance Corporation, General Motors Acceptance, Traders Finance and Canadian Acceptance Corporation. These four companies handle 80 per cent of the business of purchase credit companies in Canada; the other 146 companies handle comparatively smaller amounts of business. I do not think we should say that all of these companies are loan sharks. I am not rushing to defend them but neither do I think we should be unfair.

I should like to speak for a moment on the three types of interest which I previously mentioned. Firstly, there are the mortgage loans. I would be inclined to agree with the hon. member for Assiniboia that on mortgage loans perhaps a maximum of 12 per cent interest, on a properly secured land mortgage, would not be unreasonable. Certainly, the average rate over the last 20 years at least that I have been in the practice of law has run from, let us say, 4½ per cent to 8 per cent, and examination of previous documents indicates that mortgage interest very seldom ever rose above 8 per cent per annum.

There is the present difficulty of discount mortgages, and the hon. member for Assiniboia mentioned the fact that the interest rate is actually carried at a certain amount but when the mortgage is discounted the interest rate goes up. I think that we should not try to legislate mortgage interest on a sale basis. After all, when a person puts a mortgage on the market he wants to sell it and get cash. A lot depends on the buyer and what kind of land security he is paying for, how long the term is, whether it is a first or a second mortgage, and whether the owner of the property is in good circumstances. But, on the question of original mortgage loans, I would think that 12 per cent might be a reasonable maximum.

I now turn to the second type, namely that of bank interest. There again perhaps 12 per cent might be a reasonable maximum. The banks are very careful with respect to the people to whom they lend and in fact are at times unduly restrictive. A good many people who would like very much to obtain small loans are in this position: Because they have not had a previous history of any kind with a bank they are unable to secure bank loans and that puts them into the hands of the third class of persons I mentioned, namely the purchase credit companies.

I feel that to set a maximum of 12 per cent for this group of people would be unreasonable. I think the rate would be too low because the people who cannot get a mortgage loan on their real estate, either a first or second mortgage, or the persons who cannot get a bank loan, are not in very good financial circumstances. I have no doubt that that is the type of person that the hon. member for Assiniboia intends to protect, a person who just has to have some money and he cannot find anyone who will give it to him on a normal basis. I feel that to put too low a maximum on the amount that a person can borrow, or at least the interest rate at which the person can borrow, would not bring about the desired result. I am afraid it would dry up the small loans and the purchaser credit. I think we would in fact be saying to a man who is desperate for money, "We know you need the money; we are sympathetic with you; you have tried everyone. We want to protect you; we know you cannot get your money at 12 per cent but that is your tough luck and we are going to protect you whether you want it or not." I am afraid that that might be the result of setting that rate of interest.

Some of the securities and risks undertaken by purchaser credit companies are pretty serious ones, particularly on motor vehicles and appliances. They are most difficult to repossess; they are subject to being damaged to such an extent that they are useless in a very short time and in a good many cases it is very difficult for them to recover. Therefore, the risk being higher, the rate of interest must be higher.

I am not here to speak for the finance companies. On the contrary, I practise law in a town where I am constantly consulted by people who are in what the hon. member for Assiniboia would call "the clutches of the finance companies". Time after time I have had people come to see me who have felt that they have been badly used in their dealings with a company. I have had people tell me that they had entered into certain deals on misunderstandings and that they regretted them. Therefore, I see the problem from the point of view of the person who has to deal with a purchase credit company, particularly in connection with automobiles. I am not sure that it is always the fault of the company. I think that the dealers come in for their share, and in a good many instances the dealers who are anxious to make sales take the papers and turn them over to the finance company in such a way that the finance company lends the money but really takes a bad security. In a case such as that, Mr. Speaker, I feel that the dealers in many instances are actually agents, not in a legal sense but in an actual sense, of the finance companies because they accept the forms and they fill out the papers that the purchaser requires and then sell them to the finance company. In an instance such as that a good many members of the public are not given a good deal, but I am not sure that the interest rate has very much to do with it. I think probably out of five cases that I have had to deal with recently at least two of them were the result of a person being very stupid in entering into a transaction that he should never have gone into. I think it is the experience of the house that you cannot legislate against stupidity nor can you legislate to protect people against their own actions when they know full well what they are doing.

I should like to speak for a moment on another matter, the interest rate placed in the forms that are presented to the buying public. A lady came to me one time and said to me, "I have found just about the best finance company I ever heard of. They are lending money at 2 per cent. I just filled out a form today and they lent me $500 at 2 per cent. I never thought there was a finance company like that in Canada." I said I should like to see the form and she brought it to me. The figure "2" had been inserted in the contract but in the small print were the words "per month". She had signed a contract to pay 24 per cent per annum rather than 2 per cent.

If we are to give thought to what rate a person may pay we should also give thought to making it very clear to people what they are paying, and the use of an interest rate per month should not be allowed. This is very much in keeping with other sections of the Interest Act relating to regular monthly payments which specify that a mortgage must contain the exact interest rate per annum which is being charged. I think that is one instance where people are often misled. They think at the time that 2 per cent is not very much and they do not realize what is meant until they read the contract in full.

In 1957 sales of merchandise which was financed amounted to over $1 billion. These were goods sold and distributed to the public through instalment buying. If instalment buying were not encouraged these goods would not have gone to the public. They would not have been marketed. There were one million individual accounts opened by people and of this figure 70 per cent was handled by the known finance companies and the other 30 per cent by people who do their own financing. I merely point that out to indicate that for the sake of the economy of the country we should not take action that would reduce too much the legal maximum interest rate because it would have the effect of diminishing the purchasing power of the public and also of drying up credit for people who would like to buy.

Certainly it is my own feeling that credit buying for the individual is not a good thing. I feel, as do a good many other people I know, that if you cannot afford a thing you should not buy it. However, that seems to be just about the last theory that most people in this country follow.

Finally, Mr. Speaker, may I say that I am in agreement with the principle of the bill but I am not in agreement with the arbitrary setting of the rate at 12 per cent. I think it is too low and that it would have an adverse effect. If we were to go into the matter in a committee perhaps we might find out what the effect of the Small Loans Act has been. As the hon. member for Assiniboia said, it may not have been as serious as the companies have indicated. If we had such an examination I think we might be able to arrive at a rate of interest which, while maintaining the purchasing power of the people and keeping credit available, would still be sufficient to protect the general public from their own folly and from the absolute necessity of paying exorbitant rates. I have been speaking on the amendment and I am in favour of referring this whole matter to a committee.

Mr. Murray Smith (Winnipeg North): Mr. Speaker, when I saw this bill on the order paper I endeavoured to prepare myself for debate on it by reading some of the past debates in *Hansard* and, having done so, I feel I should congratulate those who have spoken on this subject in previous sessions of parliament. In particular, I was very impressed with the comments made by the hon. member for Winnipeg South (Mr. Chown), the hon. member for Davenport (Mr. Morton) and the hon. member for Burnaby-Richmond (Mr. Drysdale). I think they contributed a great deal to debates on this same topic in past sessions.

I should also like to say, speaking now as a new member of the house, that in my opinion one of the finest traditions of parliament is private members' day and private members' hour. An opportunity is certainly provided for every member of the house to stand up and present his views on important matters affecting the nation as a whole and its citizens. For that reason I should like to take exception to the concluding remarks of the hon. member for Assiniboia (Mr. Argue) when he urged that members of the house vote on the bill rather than voice their opinions. I suggest to him that there are a great many new members in the house who have not had an opportunity to express an opinion on this matter in past parliaments and I think it would be beneficial to the debate to hear from as many of the new members as possible because they may very well put forward some new ideas with regard to this important subject. I should also like to mention that I noticed that the hon. member for Assiniboia, while urging others to refrain from speaking, took up nearly the full time allotted to him.

Mr. Argue: I wonder whether the hon. member would permit a question. Would the hon. member be in favour of having the vote on the bill at one minute to ten o'clock tonight?

Mr. Smith (Winnipeg North): Mr. Speaker, I hope to acquaint the hon. member with my views in that regard during the course of my speech on this subject.

Mr. Woolliams: He will be finished before a minute to ten.

Mr. Smith (Winnipeg North): I would also point out to the hon. member that there is an amendment before the house which has to be disposed of before the vote on the bill takes place.

Mr. Argue: We can do that by a voice vote.

Mr. Smith (Winnipeg North): I should like to say at the outset that I realize, and I dare say most members of the house do, that there are problems with regard to money lending in this country. We all know the hardships that young married couples have to face in order to establish themselves and provide security in the form of a home, furniture and so on for the family that they inevitably intend to raise. We know that in order to acquire a home they must take out a mortgage and, normally, must pay interest. We know that a great many of them, in order to buy furniture, must finance it either through the small loans companies or through the firm from which they purchase the goods. Can these really be considered problems or are they something that is part of our way of life today?

I think the statistics enunciated by the hon. member who introduced this bill would indicate that credit today is a growing part of our society and is a business common to free enterprise countries. Those who have spoken on this bill thus far have presented their views for and against, but the majority of those who have spoken have spoken in favour of it. I should like, for a moment, to direct the attention of the house to some of the arguments that could be advanced for the other side.

First of all, I would say that a bill of this nature which is introduced to restrict interest rates to a certain percentage is a very important bill and should not be considered lightly by this house, should not be considered in a hurry. I feel therefore, that the amendment that has been presented is a good one, and that the bill should in fact be referred to the committee. There is, without a doubt, a need for money-lenders in this country. As I mentioned before, the statistics quoted by the hon. member for Assiniboia indicate this need. However, I should like to point out also that many of these statistics that were presented to this house today have been presented by him in past speeches, and to a large extent those statistics have not been revised, even to the extent of two or three years ago. I feel that it is impossible to accept those statistics because they are obviously not up to date.

We have not, either in this debate or in past debates on this topic, received a satisfactory explanation as to how the figure of 12 per cent is arrived at. I feel we would be doing an injustice to our country and to our economy if we introduced legislation restricting interest rates for the simple reason that we felt they were too high. I am sure we could find people in the country who would say, no matter what figure we introduced, that the rate was either too high or too low. I feel that in order for this house to arrive at a decision that 12 per cent is in fact a fair figure we should have some indication as to how this figure was arrived at. I should like also to point out that the figure of 12 per cent, as applied to a department store, means this: if someone goes into a department store and wishes to purchase a $20 article which he finances for three months, under this legislation the most interest that could be charged would be 60 cents. I wonder whether or not that is a sufficient charge to enable the company to economically carry the necessary expenditures to provide a staff to accommodate the public who wish to open charge accounts.

I should like also to point out at this stage that in the past the hon. member for Assiniboia has introduced legislation dealing with small loans companies. I would say that if such legislation were passed, and if the bill now before us were passed he would be paving the way for unregistered money lenders to charge a higher rate of interest than registered money lenders would be able to charge. He would be working in reverse, so to speak, because instead of being able to charge a little more interest for a small loan a person would be held to a certain percentage for a small loan which would be less than the one per cent per month for which this bill provides.

I do not pretend to be an expert in finance nor an expert in credit, and I would say that I do not believe the hon. member for Assiniboia is holding himself out as an expert in finance. However, it is interesting to note that in the course of his remarks he has used such phrases as "fantastic and exorbitant interest rates". He used the term "loan sharks", and talked about saving the Canadian people tens of millions of dollars if this bill were passed. I suggest that these are his opinions and it is the duty of this house to find out if those statements are really based on fact or if they are merely propaganda to appeal to the voters of this country and to persecute institutions that are, in fact, trying to carry on legitimate operations and give

the public a service that they evidently need. I should like to indicate to the house what might possibly happen if legislation were passed which set interest rates too low.

First of all, I think it is quite obvious that if interest rates were too low and a profit could not be made a great many of the small loan companies would immediately liquidate and go out of business. I think that would lead us right into a black money market because I think everyone will agree that if there is a need for money, then the person who wants to borrow will always find someone who will lend it to him regardless of what legislation may be passed by the federal government. In this connection, I would point out that these statements of mine are borne out by publications dealing with the same situation in the United States. It has been found that in states where the interest rates were too low the loan companies immediately liquidated and left those states. Then the true loan sharks came into operation from neighbouring states and charged as much as 500 per cent interest. I think that is a thing we all want to avoid because by bringing in legislation which places interest rates too low we are bringing about the very thing we are trying to avoid.

Then, this question could be asked: If interest rates were set too low, from where would the people borrow who wished to borrow? Reference has been made to the second mortgage business. I suggest that in this business there is a great deal of risk in connection with certain second mortgages. I have had some experience with them. A young couple who wish to buy a home may find themselves in a position where they do not have a high enough down payment in order to get a home through the National Housing Act. They therefore purchase a private home. In order to do that, they need a second mortgage. I have seen people pay as little as $500 down on a house and then finance it with mortgages. That procedure certainly involves risk as far as the lender of the money is concerned because if real estate drops by a mere $500 he can be out of pocket that amount and indeed more, if account is taken of his expenses.

I should like to mention to the house—and I am sure everyone will agree—the fact that no one is compelled to borrow money. The hon. member for Assiniboia stated that the only people who borrow money, or the majority of people—I do not want to misrepresent him but I believe he said this—in his opinion, who borrow money from finance companies or from small loan companies are people who have heavy doctor bills or hospital bills to pay. I again submit to the house that this is his opinion only. He has not given us any facts to back up this statement. Before any legislation of this kind is passed I think we should have the facts before us, and should find out just who are the customers of these small loan companies.

I may say that when I noticed this bill on the order paper I did a little bit of investigation on my own. If the hon. member would take the trouble to ask some of these people who are in the business, instead of criticizing them all the time, he would find out some of the facts. I submit to him that the small loans companies, financial companies and money-lenders all across Canada do business with people who come back to them when they want money again and who refer other people to them. I suggest to the hon. member that some of these far-fetched examples of his are extreme cases and are the exceptions rather than the rule. I therefore think it is a good idea to send this bill to a committee so that these facts would come out in the open and we would find out just how authentic are some of the wild statements made by the hon. member for Assiniboia.

The hon. member for Assiniboia has classified anyone who lends money as a loan shark. I find that classification difficult to follow and difficult to go along with.

Mr. Argue: That is not an accurate statement. I said that anyone who lends money at the rates about which I was talking in my opinion was a loan shark.

Some hon. Members: Order.

Mr. Argue: I said that if the rates were set at 12 per cent no one would be a loan shark.

Mr. Smith (Winnipeg North): I take it that the hon. member means that a person is a loan shark if he charges, for instance, 54 per cent interest.

Mr. Argue: Correct.

Mr. Smith (Winnipeg North): I take it that the hon. member suggested that the Hudson Bay Company or the T. Eaton company and Simpson-Sears charged that rate.

Mr. Argue: On some purchases; yes.

Mr. Smith (Winnipeg North): Therefore I take it that the hon. member means that they are loan sharks.

Mr. Argue: That is correct.

Mr. Smith (Winnipeg North): Mr. Speaker, I have had dealings with these companies and I think they are doing a very good job in this country. They are reputable concerns. People have enough confidence in them to purchase annually goods worth millions of dollars. I certainly refute a statement of

that nature. I should like to say that there are in this country so many department stores that competition is extremely keen in the department store field. I think the hon. member will agree with that statement. Hence if any one department store were making any finance charges that were out of line with those of another store, I think the people would soon realize what was going on and would go to the place where they could get the best bargain. I think the hon. member will agree that is only human nature.

The hon. member has stated that a great many people are brought in to these small loans companies because of their advertising program. I am not disputing that statement. I think possibly there is some merit in it. However, to single out one group in our society on that score is wrong. I think the hon. member will be obliged to agree that advertising today has on the whole degenerated to a level which is not to be considered right. I suggest to him that even the advertising of his own party has degenerated to that level.

By controlling interest rates are we not in fact controlling profits? For instance, if I have a certain amount of capital that I wish to lend and if the House of Commons sets the interest rate that I may charge on that capital, they are in fact controlling the profit that I may earn in what I choose to be my means of every day living. I suggest that a step of that nature is the thin edge of the wedge and that it is definitely a step toward socialism. Every piece of legislation that is passed by a government infringes, to a certain extent, upon a right of the individual in a free enterprise system. If we are to pass a bill to control interest rates and to control the profits that certain people can make, then should we not go further and control what other people can make? I suggest that that is socialism, pure and simple, and I for one would not like to see it come about.

Mr. Speaker, may I call it 6 o'clock?

At 6 o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Smith (Winnipeg North): Mr. Speaker, at six o'clock I was endeavouring to outline some of the arguments which could be advanced against this bill by persons or firms engaged in the money-lending business. I was also endeavouring to point out to the house that a great many of the statements made by the hon. member for Assiniboia were merely an expression of his personal opinions and did not appear to be founded on fact.

I realize, as do other hon. members, that there are persons engaged in the money-lending business who, it might be said, persecute some individuals who borrow from them; or, at least, that there are people engaged in this business who follow unscrupulous practices, but I do not think it is fair for us to include everyone engaged in the money-lending business in this category and label them as loan sharks. There are, it is true, loan sharks in our society; these are the ones we want to keep from getting a hold on any individual.

For these reasons I think this bill should be sent to the committee in order that both sides of the argument may be analysed and in order that the committee may be able to bring back to this house a report which could be accepted and which would be founded on fact.

I am one of those who always try to look at both sides of the question and refrain from making any prejudgment, and I do not feel it is within the province of any hon. member of this house to make wholesale accusations against those engaged in any type of business. I feel that these are also the views of this government and that when a committee, after having heard both sides of any argument, makes a report to this house, that report will be proceeded on in fairness to both sides. I believe the committee could work out a ceiling percentage which would be acceptable both to those who are engaged in the business and to those who rely on these firms and individuals for financial aid when required.

Mr. Erhart Regier (Burnaby-Coquitlam): The amendment which has been moved means in effect that approval should not now be given to the principle of this bill but rather that the measure should be given further consideration in the banking and commerce committee.

As the hon. member for Assiniboia (Mr. Argue) stated, he welcomes the possibility of this bill, or a bill such as this, being referred to the banking and commerce committee for complete investigation and for possible amendment if the committee, after investigation, found amendment to be necessary. We are a little concerned that so many members of the house do not wish at this time to express endorsement of the principle of the bill and that they should wish to have it referred to the committee before endorsing the principle. I have no qualms of conscience at all about being ready to endorse the principle of the bill at this time. I do not see why we cannot endorse the principle that there should be a limit placed on the activities of those who are engaged in money-lending. The hon. member for Winnipeg

North (Mr. Smith) went to considerable length to bring out his opinion with regard to the comments made by the hon. member for Assiniboia. He accused the hon. member for Assiniboia of expressing opinions rather than making statements of fact, and attempted thereby, I believe, to minimize the effectiveness of the wonderful speech made this afternoon by the hon. member for Assiniboia.

It may be recalled that about a year ago I placed on record a case in which a man had been charged an interest rate of 235 per cent. I had all the evidence on that case with me on that occasion. I have here another case—the case of Mr. and Mrs. Wagenstein of the town of Port Coquitlam who have asked me to use these facts in the hope that some legislation might emerge or in the hope that at least other people will not be taken for a ride in the way they were. The Wagensteins are a very honest and reliable couple living on Hastings street, and on one occasion they needed some money. They have a home which I would value as being worth at least $15,000; even at a sheriff's forced sale it would bring in not less than $10,000. On January 19, 1955, they needed a loan and they gave their home as security. It was a first mortgage; there was nothing owing on this house at all, and the house was practically new. They obtained a loan of $2,400 in return for which they had to sign a mortgage for $3,000 repayable at $75 a month, with 7½ per cent interest, not on the $2,400 but on $3,000. They received only $2,400. They had to repay the principal of $3,000 plus 7½ per cent interest on $3,000.

The Canadian Bank of Commerce at Vancouver—the Shaughnessy branch at 3070 Granville Street—acted as collection agency for the lady who had supplied the money, a Mrs. Anderson of the city of Vancouver. Here is a case of a chartered bank receiving monthly payments on behalf of Mrs. Anderson, issuing a passbook and registering the monthly payments as they were made. By means of monthly payments this loan was completely repaid in three and a half years. I have been looking over the facts as indicated in this passbook and I find that not only did Mr. and Mrs. Wagenstein pay a bonus of $600 but they also paid interest totalling $398.59. In other words, for the use of $2,400 repayable monthly over a three and a half year period they had to pay a total in charges of $998.59. This, on $2,400 over that length of time, means a real interest rate of 23 per cent. Mr. Speaker, this money should have been available to Mr. and Mrs. Wagenstein at 5 per cent or, certainly, at not more than 6 per cent interest. If that had been the case they would have saved themselves approximately $800.

The reason why I mention this particular case is because I have permission from the people involved to do so. Another reason is that we in this group hope that by putting actual instances on the record it will help the cause a little bit. Still another reason is that I want to emphasize the point that here is a skilled worker, a toolmaker who is employed in a mill. His services are much in demand and he has never suffered because of unemployment. Although he receives a fairly decent monthly income this man and his family have been robbed—I cannot think of a more apt word—of $800 of purchasing power which was lost to them. This type of thing is going on all across Canada. Canadian people are being robbed of purchasing power which they badly need at the present time to purchase the necessities of life and to supply employment to agricultural and other producers in this country. I certainly hope the amendment at least, if not the bill, will be allowed to reach a vote.

Mr. Brunsden: Would the hon. member permit a question, Mr. Speaker?

Mr. Regier: Surely.

Mr. Brunsden: Mr. Speaker, if the family in the case the hon. member has cited is so well established with respect to employment and income, why did the gentleman concerned have to borrow money?

Mr. Regier: I did not ask him why he needed $2,400 at that particular time but there are many reasons why people have to borrow money from time to time. I may say that this family had a little girl in the hospital for almost a year and a half not very long after this incident occurred. There can be cases of sudden illness and many other reasons why people must borrow money at various times.

The gentleman also told me that he went to the bank but the bank was not very interested in supplying him with money over a three and a half year period. It is common knowledge that banks in general are not much interested in lending money for periods of that duration. I have cited this case because the people in this community know the family to which I have referred and they know it is a bona fide case. They know that the family deserved to receive credit at a nominal rate of interest.

We always hear a great deal about the risk involved in lending. In the case of automobiles the finance company runs no risk whatsoever. It is the agent who sells the automobiles who

must underwrite each vehicle that is financed by the finance company. If the purchaser fails to meet his payments and the amount cannot be recovered from the sale of the automobile the agent must make up any loss the finance company may have sustained. They run little risk indeed as is shown by their financial returns.

To say that finance companies lend money with little or no security is, I feel, also not in line with what actually takes place. From my observations the security they obtain usually far exceeds the value of the loan they make. They do not run much of a risk. I fail to see the logic of limiting by law the operations of reputable institutions in this field. There is a maximum that chartered banks cannot exceed. Most credit unions, I know, have provincial limits to meet that have been established to determine the maximum rates that they must not exceed. I cannot understand why so many hon. members feel that these other money-lenders should be exempt from limitations as to interest rates.

I sincerely hope we will follow this evening the usual procedure that has obtained for many years in this house, that is that when a private member has introduced a bill a cabinet minister or parliamentary assistant has replied on behalf of the government and expressed its attitude toward the proposition being put to the house. That practice was followed by the previous government. Either a cabinet minister or a parliamentary assistant would explain to the house the attitude of the government with respect to the idea being put forward in the bill. That has not occurred today but it may happen yet. As the hon. member for Assiniboia pointed out, we usually had a chance to have a vote on private bills. Even although a cabinet minister had spoken against a bill, very often six, twelve or as many as eighteen backbenchers of the government rose at the time of the vote and by so doing endorsed the principle of the bill then being proposed. I should certainly like to see that happen at this time. In that way hon. members who are supporters of the government can show that they also are concerned with the welfare of the ordinary people of Canada who, as has been admitted, must have credit from time to time.

I should like to add this further thought. It is not only the individual consumer who is being penalized by these exorbitant interest rates. There are many small businessmen in Canada who at the present time have to patronize money-lenders who charge extravagant interest rates. I have even spoken to hotel owners who have told me the only way they could obtain money for necessary renovations was to deal with finance companies and pay interest charges of an exorbitant nature. These high rates of interest are a burden on the economy and they also impose misery and hardship on that section of the population with which this parliament should be most concerned, the ordinary people of Canada who need its help. The finance companies do not need the help of this parliament and they are not asking for it.

Mr. R. J. McCleave (Halifax): Mr. Speaker, my first words in taking part in this interesting debate are to express envy that the hon. member for Assiniboia (Mr. Argue) should have somebody come to his door and offer to stake him to a sum up to $3,000. This has never happened to me.

There has been an interesting dispute here for part of this afternoon and evening as to whether those who charge high interest rates may properly come under the classification of loan sharks. I am one who disagrees emphatically with this designation. I offered a description of these people last year and I proffer it again to the house for what it is worth. All of us are familiar with the phrase, "men in grey flannel suits". I paraphrased it by saying, "men in grey fleece suits". Furthermore, I think that the designation is probably improper. It does not properly describe the habit of fish. In this case, we are trying to say that the loan sharks throw the bait at the people.

In the last year there has been one significant development in the credit field of Canada, which has been alluded to only very briefly in the debate that has gone on so far today. I am thinking again of one of the largest banks in the country, namely the Bank of Nova Scotia, which has set up a subsidiary company which deals exclusively in the field of consumer credit. As the hon. member who preceded me has pointed out, the amount of interest that the chartered banks can charge is, I believe, six per cent. In any event for decades it has proved unprofitable for the chartered banks of Canada to get into the consumer finance field. I have talked to bank managers about this. It was their feeling that the loans were so small that it would take some time to check into the credit of the people asking for them. A great deal of bookkeeping was involved. There was always the risk of bad debts and the profit on a large number of loans could be wiped out if even only one person defaulted. Obviously, this is what has happened. The banks have not entered this field, not because they were unwilling to do so but because the rate of return was so low, or indeed nonexistent, that it would have been impractical for them to do so.

Since the Bank of Nova Scotia took the new step with this consumer finance company, I am informed that the new company is making a very sizeable number of loans at a rate of one per cent per month, which is 12 per cent per year, or the exact figure that the hon. member for Assiniboia has put in his bill which is before us today. I do believe that the effective rate of interest on this subsidiary company's loans, however, is just a bit over 10 per cent.

I do not want to get into the field of what should be charged for consumer finance and those other matters that were talked about this afternoon. I think we would get into a very tricky field indeed if we discussed that matter. It may be all right for somebody to suggest that 12 per cent, or some other arbitrary figure, is a magic number to cure all the ills, but I share the doubts which have been expressed by other hon. members that we can set any specific figure. I would go even further and say that we may have to consider a sliding scale of maximum interest charges. I would like to quote from a memorandum prepared by the Household Finance Corporation of Canada, which was presented for study by the council for social service of the Anglican synod of Nova Scotia and Prince Edward Island. I should say that this is a treatise prepared by a finance company, but I believe it has excellent research facilities and that these words should be given some weight. Certainly, it was accepted by the church gathering that took place in my part of the world. I quote:

> One important point which many people fail to recognize is that the costs of conducting a small loans business are dictated by the number of loans made rather than the total amount of the loans. An institution which could profitably make loans of, say $12,000 at six per cent per annum would find that it could not profitably make loans of, say $200 at the same rate. This follows because it would require 60 times the amount of time and effort to lend $12,000 in $200 loans as would be required to lend the same amount in one loan. Obviously the small loans must be at a much higher rate.
>
> The banking and commerce committee of the 1938 House of Commons whose report formed the basis for the Small Loans Act, recognized this fact and expressed it in the following words:
>
> "Quite obviously the purchase of a block of 12-year Canadian government bonds requires little expenditure for investigation and none for supervision; investments in 50 farm mortgages for varied periods entail considerable cost both for investigation and supervision; while the investigation of 1,000 applications to effect loans to 500 people for a few months with meticulous supervision becomes expensive business when expressed as a percentage rate of $100 on a monthly basis".

I continue from the submission by the corporation to the council for social services:

> The above quotation emphasizes another important cost factor in connection with consumer loans—the cost of investigating the considerable number of applications which do not result in loans being made. Currently household turns down 45 per cent of applications received.

By "currently" the company means January of 1958. I continue with the quotation:

> This cost is considerable as the investigation of applications which do not result in loans is in many cases as extensive as for those which do.
>
> The parliamentary committee referred to above expressed its main objective as follows:
>
> "Throughout its inquiry your committee's objectives has been to secure the best procurable rate for the borrower".
>
> It is evident from the exhaustive nature of the 1956 committee's examination that they had the same objective in view.
>
> While keeping in mind that the rate should be set as low as possible in the interests of borrowers the original committee recognized that, for the same reason, it must also be high enough so that lenders would be able to continue to provide the service. This point is emphasized by the experience in certain of the United States.

That experience, Mr. Speaker, as was demonstrated by those who preceded me in the debate, was that when the wrong maximum interest rates were set; that is, set by whim without taking into account the market conditions, the supply of money and so forth, the companies folded up their tents and left the inhabitants of that particular state, or of those states at the mercy of money bootleggers, which would probably make the hon. member's conception of a loan shark pale compared to the reality of that type of person.

I listened with great interest to the remarks of the hon. member for Burnaby-Coquitlam (Mr. Regier) who preceded me, on the problem of the Wagensteins who, to get a $2,400 loan, were forced to sign a $3,000 mortgage and pay the same back at $75 a month and in fact pay $398 interest and $600 bonus. I was curious to learn that a couple as reputable as they are should be placed in the position of not being able to obtain the proper credit facilities. It seems to me that if a couple has a $10,000 house, as my hon. friend stated they had, and the breadwinner of the family has a good job, it would have paid them very well to do a little bit of shopping around. There may have been a suggestion of criticism of the bank that my hon. friend mentioned in relation to the Wagensteins in refusing to lend them the money they needed at that time. I think it would be unjust criticism and should not go unchallenged on the record. I think there are many of us in the house who are familiar with the fact that a few years back it was difficult for the banks to make such loans. In any event, the banks have been traditionally chary about entering the mortgage field.

One should not be too hasty with any suggestion of acting improperly simply because they are the depositories of the amount of money that has to be paid by the mortgagors in this particular case. If my hon. friend had given further details to the house about the Wagenstein case I think we might be better able to make up our minds whether that case was in fact one of very great hardship or whether it was simply a case of a couple who, without proper advice or guidance, went into the money market and were consumed by the first shark who came drifting by.

Mr. Regier: There are millions like these people.

Mr. McCleave: My friend says that there are millions like these people, and perhaps there are. It seems to me though that the fact that people do have difficulty in handling money problems is not really a valid excuse for trying to protect them from harm. If they are not gypped by one type of person they will be gypped by another type of person and probably the better course is education rather than protection.

So that we can get some facts on the record I should like to deal with the type of person who borrows from the small loans companies. These facts were contained in a brief submitted to the banking and commerce committee of the House of Commons by the Canadian consumer loan association in 1956. I do not propose to put all the figures on the record. That was done last year by the hon. member for Davenport (Mr. Morton) in a very thoughtful speech but I will recall some of the figures to the house. Taking loans as classified by occupation of borrowers, in the year 1954 craftsmen, foremen and kindred workers represented 30.21 per cent of those who borrowed from the small loans companies. Next in line were operatives and kindred workers, 21.60 per cent; then clerical and kindred workers, 10.57 per cent; labourers, but not farm labourers, 8.82 per cent; and so on down the line. A rather interesting point is that school teachers comprised only .64 per cent of those who went to small loans companies. Incidentally, the total number of loans made in that year was 707,530.

I think this house performs a useful function every time we discuss the Interest Act or the Small Loans Act. This has been proven today by the number of hon. members who have been able to cite specific examples of people in their own ridings who have been ill treated or have considered themselves ill treated and have taken their problems to their members, as they very properly should. It might be of interest if we turned from economic considerations and the statistics we have been having today to something different. For the benefit of the house and the country I should like to give in brief form what is known as the constant ratio formula or algebraic device by which one can measure the extent of the interest rate one is being charged. If everybody is ready, Mr. Speaker, the formula is as follows: R equals 2CP divided by A (N plus 1). I will elaborate on this somewhat esoteric if bare algebraic formula. R is the annual interest rate; C is the interest or finance charge in actual dollars; P is the number of equal instalment payments in one year, exclusive of the down payment; A is the amount that is borrowed; and N is the number of equal instalment payments in the whole contract period exclusive of the down payment. I was trying to work out the interest that the Wagensteins paid to see if my hon. friend's arithmetic was correct but unfortunately he ended his speech before I could quite complete the mathematics.

Last year in dealing with this subject I noted that one of the big stocks in trade of the loan companies was their ability to prey upon the fears of people, to make the sweet pitch to them that by putting all their troubles in one basket they would, instead of having a dozen nagging letters about bills they could not pay only have to make one payment. Of course, this siren song does not reveal that if anything should go awry with that one payment they will get letters the like of which they had not received from the ordinary commercial businesses to which they had owed money. But this is a tempting point for a person in today's society, and I should like to emphasize again that the danger, of course, in consolidating these principal and interest payments and a variety of debts into one large debt is that you then find yourself in the position of paying interest on your interest, and so the snowball goes on rolling and the avalanche bears down on these people, some of whom are buried and become slaves to consumer finance companies for the rest of their days.

There is no substitute for common sense in knowing how to handle one's finances, there is no substitute for looking at the fine print of a contract and being canny about money matters. But I think the point has been well made by the members who have supported the bill that some protection must be afforded to people and I am thoroughly and heartily in favour of the bill. I am inclined to support the amendment although I hope it is not a device by which the bill will become buried. It might be better to throw out the amendment, approve the bill in principle and then get it before a committee thus approved in principle so that the

committee may hear, for example, about the experience of organizations such as the Bank of Nova Scotia and how it has fared on entering the consumer finance field at a rate of 12 per cent compared with the companies that have been operating in that field at 15, 18 or 24 per cent over the last few years. I say let us get their experience and the experience of other segments of society having dealings in the consumer finance field and then set a realistic figure. Again I would suggest that a proper method might be to adopt a sliding scale rather than an arbitrary ceiling.

For example, in studying the books and literature pertaining to consumer finance you will find that the smaller the loan the more costly the operation. Even if a person borrows only $100 his credit standing must be investigated in the same way as the person who borrows $500 or $1,000. Since I am informed that the cost of the investigation is about $20, it means that the person who borrows $100 does have that extra $20 burden thrown upon him in some way or another. This simply drives up the cost of his loan to a fantastic height.

(Translation):

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I would like to bring in my little contribution to the debate on the bill proposed by the hon. member for Assiniboia (Mr. Argue). I would like also to say a few words on the amendment proposed by the hon. member for Megantic (Mr. Roberge). In my view that amendment could not have been better timed. During the last three sessions indeed, we spent whole days discussing identical bills with the result we know. This motion tends to refer this bill to the committee on banking and commerce, which would give us a chance to deal at the same time with other questions concerning Canadian economy and more especially the caisses populaires.

As a matter of fact, we all know that the caisses populaires are ready to render great services in the province of Quebec and, if we were given the opportunity to examine the steps required to improve their services, the bill introduced by the hon. member for Assiniboia would not have to be debated each year.

The caisses populaires offer numerous advantages, since they grant loans for the building of houses, at a very reasonable rate. It would be very interesting for the members of the standing committee on banking and commerce to compare the advantages offered by the caisses populaires with those offered by the banks. They would realize that the law is more favourable to the banks than to the caisses populaires, namely in the field of loans for house building. They would realize that loans granted by the banks for house building are guaranteed by the government, while those granted by the caisses are not. They would also realize that the loan terms required of the caisses populaires are accessible to a greater number of people, most particularly to that category of people who cannot afford the luxury of building homes in accordance with the requirements of the Central Mortgage and Housing Corporation.

In fact, Mr. Speaker, the government grants a 15 per cent guaranty on loans granted by the banks for the building of houses, while it does not grant any on those granted by the caisses populaires.

At this stage, Mr. Speaker, allow me to remind you that there is in the province of Quebec a rather awkward situation which is hard to explain.

People who build homes financed by the caisses populaires get a 3 per cent refund from the provincial government. However, persons who build with money loaned by banks do not get this rebate, for reasons of autonomy, it is claimed. This creates a situation about which we would have liked to hear some explanation from the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). Why does not the province of Quebec refund part of the interest paid by those who build houses whose plans have been approved by the inspectors of the Central Mortgage and Housing Corporation?

(Text):

Mr. Speaker: Order; I appreciate that it is not easy to draw the line between what is relevant and what is not, but it seems to me that in discussing credit unions and not relating the discussion particularly to the rate of interest, the hon. member is not speaking to the principle of this bill. The principle is whether an unlimited rate of interest should be limited to 12 per cent.

(Translation):

Mr. Boulanger: Mr. Speaker, I realize that perhaps I have been wandering from the subject, but this afternoon we heard a speech that was entirely devoted to caisses populaires, credit unions, so I was under the impression that I could do likewise.

However, I shall discuss caisses populaires with regard to the low interest rates they charge their members. In fact, because of their policy of charging the lowest possible rate of interest, they have been helping a great many people. This leads me to say that since their inception, they have loaned over $43 million on promissory notes to individuals, co-operative organizations, parishes, municipalities and school boards. They have also loaned over $220 million on mortgages, without any guarantee from the federal government.

When I think that chartered banks, such as the Royal Bank, have loaned only a little above $200 million on mortgages, out of $4 billion in total assets, I feel that if the people had not had caisses populaires to protect them, they would have been in a terrible spot, not to mention the fact that if our municipalities and school boards had been unable to get the financial help they needed from the caisses, it would have been chaos.

Before closing, Mr. Speaker, may I say that I support the amendment moved by the hon. member for Megantic, requiring that the bill be referred to the committee on banking and commerce for consideration of the best means of reducing interest rates on small loans.

Members on the government side are unwilling to take a stand on this issue; however, it would be very helpful to have it considered by the committee on banking and commerce.

(Text):

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, it is a great pleasure for me to rise tonight to take part in this debate upon a subject about which I have thought much from time to time and which is of great interest to my constituents. Judging from the number of speeches on the bill so far today I would say it is a subject of common interest amongst all the members from whatever parts of the country they come.

The topic is more interesting perhaps than would be indicated by the shortness of the bill presented because one is able, by listening to the debate, to get some idea of the amount of worry involved in those simple little words dealing with the maximum amount of interest. Interest being, as it is, a part of our system of credit in this country and our system of credit playing the important part that it does in our national affairs, we have today heard representatives from most walks of life and we have covered most subjects that one would hear normally discussed in the budget debate. I expect that even more topics will be covered before the debate is over. I certainly hope that more of my friends and colleagues will take part in this discussion and will reinforce me in my belief that this subject matter is one of great importance to all parts of Canada.

I do not pretend to be an expert on matters of interest and the economy, or on how best people should manage their affairs, but I have on occasion, as a lawyer in my private practice, attempted to help out some people who have been, shall we say, victimized by some of the abuses of our present credit system. I am not going to belabour our lending institutions entirely. I believe that this evening I may be guilty of saying the occasional harsh word about such institutions as the finance companies. However, I hope I shall be fair enough to give what I believe to be the case for their side as well.

I felt that the hon. member for Assiniboia (Mr. Argue) who presented this bill was perhaps a little bit wild in some of his statements. For instance, he referred to the fantastic and exorbitant rates of interest that are paid by some people. He gave as an example a simple little transaction involving a small amount of credit by a large company and pointed that out as an example of a fantastic and exorbitant rate of interest. Mr. Speaker, I am not trying to flay my friend. However, I thought it was only fair—and I said I was going to try to be fair—to point out how I thought my friend was a trifle unfair, so that I may be more easily judged in that respect. I thought his remark with regard to that store must be admitted by any fair-minded person to be anything but fair.

In order to present the other side of the story, instead of saying that they had paid a fantastic rate of interest, I think he should also have said that those people had a charge account opened up for them on a minor purchase of $20; that the store was put to the expense probably of checking the credit rating of the person, of opening up an account in the person's name, of taking care of the bookkeeping entries, of providing the staff personnel to look after it, of making sure it was collected on time and took the risk of loss. Certainly for one isolated purchase, when the matter is looked at in that way, the individual purchaser has had $2.50 worth of services.

Certainly I would not want anyone to construe my words to mean that I am happy to see them pay even $2.50 for the services or that I am happy to see the amount of the service charge, compared to the amount of credit, bearing a somewhat disproportionate share of interest compared to the interest rates one would expect on a long term basis

when dealing with many purchases. However, what my hon. friend has done has, I think, opened up what should have been an enlightening part of this discussion.

There is such a thing as interest rates that are paid without any official charge. I am not talking about interest rates which are stated to be six per cent but are charged in advance, with no attention being paid to the final balance owing. Again I am not speaking of the various dodges by which storekeepers and others who lend money can sometimes fool purchasers or borrowers into feeling that they are not paying the rate of interest which they actually are paying. But it is a fact that, no matter what it may be called, whenever credit is extended for any purpose, inevitably one must pay interest. Certainly the storekeeper who buys his goods must do so. Whether he keeps them on the shelf for a long time and therefore has his money tied up and is paying the bank interest on that money or whether he sells them to a consumer who does not pay him for months, the fact remains that the storekeeper is always paying interest on the money that is owed. The money that is owed is an integral part of the price of each and every article that we use or come in contact with every day. I therefore suggest that one of the most important ways in which interest is passed along to the consumer is included in that vague term "price".

The bill that my hon. friend has introduced deals only with the most obvious and glaring examples where the interest rate is shown in the contract and where it is possible, without much imagination and without much digging, to find out exactly how much interest was paid. Obviously, if—as I believe to be the case—that interest appears really in the ordinary price without ever being called by that name it would be a simple step to have the extra interest included in the price. It is no secret today to any thinking person who has taken the trouble to examine today's marketing habits and who has gone from one store to the next to see how they are handling their merchandising to find that in fact a great many stores have discovered how unpopular interest is. They therefore make a big thing out of advertising to the effect that there are no carrying charges and no interest rates. I should be delighted if my hon. friend who introduced this bill would explain to us how this piece of legislation is going to protect the ordinary buyer of that type of merchandise.

I do not want to be misinterpreted. I am not saying that there is anything wrong with that type of merchandising. I am merely suggesting that the ordinary person does not realize the amount of money he is actually paying for the use of money in the purchase price of every article. He might buy it on a long or a short term, but due to the merchandising practice of the firm from whom he buys in this instance their over-all charge for the use of the money is of necessity much higher than those who price their goods lower and add interest charges. In one instance the consumer himself can see how much interest is paid and the store can see the exact number of people who fall down, but in the other case it is certainly much harder for the ordinary person to detect.

I want to emphasize this point. I am not at all opposed to the principle of trying to protect people from excessive interest charges in certain respects at least. I feel that the idea of bringing in legislation to curb if possible the activities of the most vicious type of money lender we have in this country is a very sound one. I am merely suggesting that the present bill does not do what we should like to see it do. I am speaking against the terms of the bill itself; I am not speaking against the noble and ambitious idea of protecting members of the public against excessive rates of interest.

Mr. Speaker, I did not intend to deal solely with what I call hidden finance charges in my little talk tonight. I merely digressed for a few minutes to mention it as one of the factors which has interested me throughout the whole debate; to such an extent, perhaps, that I have been unable to concentrate as much as I should on some of the speeches which have been made this afternoon. A wealth of information has been brought to light, and although some of it has, no doubt, been brought to the attention of the house before, I feel that in the main it is very sound. It has been most helpful, and since the subject we are discussing today is a very important one I hope I may be forgiven if by inadvertency I repeat anything which has already been said by another hon. member. I will try to be as original as I can but there has not been an original thinker for a long time and I do not pretend to have made the grade myself.

I am especially interested in one field of finance, namely the consumer finance field of automobile and truck financing. There are in Canada today a great number of companies which finance perhaps between 75 per cent and 90 per cent of all the vehicles on the road. My principal concern is not just with the working man who has had to finance a family car. It is true that many of them are paying a rate of interest for their money which they really cannot afford. They buy automobiles and for the amount of use they get out of them it would seem

it is rather harsh on them that they should have to pay such a relatively large sum of money by way of finance particularly since they use their cars only from time to time and mainly for pleasure. Many of these owners find at the end of a year or so that the car has cost them much more than they had calculated and yet they have gone badly into debt and paid large sums of money to the finance company. For this there is, after all, a very simple remedy. The vehicle is, after all, used only for pleasure. No one has forced the owner to buy it, and if the car becomes too expensive they are not obliged to finance it. Certainly these people are to a great extent the authors of their own misfortunes. We do not like the situation but we do not have to get really worried about it because the situation is one that can be avoided.

My concern is with the family breadwinner and a situation which often occurs in the trucking industry. A great many of the trucks on the highways today are financed by a finance company. The people who run these trucks have not to a great extent perhaps the background of experience necessary to enable them to judge all the factors, particularly the cost factors involved in operating a trucking business. To a great extent they have been dazzled by hearing of the amount of money that can be earned by hauling just one load from, say, Edmonton to Toronto and back. The income looks tremendous. So they go to a finance company and put down every cent they have in order to buy a truck. I suppose that here again it can be said that the trucker has, after all, made his own choice. He can invest his money in any way he likes in order to help earn a living. But the fact is that he does have to try to earn a living; he has a duty to his family, and should there be an error of judgment on his part it is one of the gestures made by a man who is not doing something merely for pleasure but risking every cent he has in trying to set himself up in business. It is certainly a very laudable objective for any working man to try to get out on his own and earn money on his own. That is what is at the heart of this economic system of ours and it is the spirit which we feel makes our way of life perhaps a little better than any other.

The trucker finds that he has to pay a much smaller down payment to the finance company than many people would think possible. It is quite possible for a man to get into the trucking business, where the combined value of a truck and trailer may run between $15,000 and $20,000, by putting down no more than $2,000 of his own cash. What the trucker fails to realize is that his profit must take care of his finance charges, earn a living for himself and his family and provide enough to take care of the depreciation of the truck. This must all be done, really, out of his $2,000 investment.

He is operating a business with a $20,000 capital. Approximately $18,000 of that capital must earn profits of 15 to 20 per cent before he can break even. He fails to realize that in order to break even and before he can draw wages he must be operating a business which makes a clear profit of 10 to 15 per cent. Obviously many businessmen are quite happy to earn 10 or 15 per cent annually. My hon. friends in the C.C.F. group would feel they were being positively hoggish if they asked for anything more. I suggest that the practice of permitting the purchase of what is really a large and expensive business with such a small down payment is one of the worst faults I can find with finance companies today.

The effect is not just to make it difficult for that particular man to make a living. The effect is that automatically the trucking field becomes very crowded by people who for the most part should never have entered it in the first place because they do not understand the amount of financing required or what kind of profit they must make to break even. The situation soon develops in this field, as it would in any other field of small business, where it is crowded with bad businessmen and this plays havoc with the rates. It is most disturbing to what is at the best of times a difficult and highly competitive industry in which to operate.

The man who has invested his hard earned life savings as a down payment on a truck has no cash reserve on which to fall back. He is over-financed in so far as his total amount of borrowings is concerned but under-financed for going into business. He must, therefore, pay a set amount of money each month to the finance company and in order to do so he must keep working no matter what rate may obtain. Consequently if the prevailing rates are such that jobs are somewhat scarce he must quickly bid the rates down and in a period of slight recession trucking rates decline in a short space of time to about half the amount that is really necessary in order to pay the long term costs. Simply because the finance companies make it so easy to obtain money in this manner we find that an entire industry can be made most unstable with the result that an entire group of honest hardworking, conscientious truckers who have spent years and years to properly learn their business and to put it on a profitable business-like basis can find themselves almost ruined by the actions of a small group with what I will call irresponsibly financed money.

I do not want to be mistaken in my argument in this regard. Certainly I can see the advantage to any small trucker. A truck driver who is able to save a few dollars and who feels it is worth the effort to go to a finance company and take whatever risks are involved or pay whatever rates of interest he feels he must in order to purchase his own truck and by hard work build up a small business of which he may be proud is free to do so. This again is an example of the pioneer, independent, democratic spirit we like and would not want to see crushed. I am not suggesting that before the finance company buys the paper from the man who sold the truck it should give the purchaser of the truck a complete test as to his finances nor am I suggesting that he should be given psychological tests to determine if he is competent to conduct a proper business. However, it is not too much to ask that the finance company at least check to see if the man really has the one requisite that is necessary before money is invested into a business. In other words they must determine if he knows anything about the business.

My hon. friends have been most patient. I have not mentioned the word "interest" for a while but I am sure I have made my point sufficiently clear. After all, when the truckers get in trouble and lose their trucks or when the trucks break down and they are unable to keep them in a proper state of repair it simply means that more of them go broke and losses are high. The incidence of loss is an extremely important factor in determining interest rates. Interest rates for the entire trucking industry are much too high in my opinion.

It is not just with respect to the automobile financing field that I have a few complaints. There is another large group of finance companies and these, for want of a better name, I will call the direct loan or personal loan companies. These companies are characterized by what has today become perhaps the universal tragedy. Their most popular slogan, come on, or gimmick is one designed to bring everyone into their office: "Come in and see us if you have financial troubles; if you cannot pay your debts come in and we will take care of them for you."

I confess, Mr. Speaker, when I hear of the number of people who fall for this line and who actually go to these finance companies I begin to wonder if my ordinary fellow citizens have the high degree of intelligence for which I have always given them credit. The fact is the direct loan companies play that tune to an extent which almost becomes nauseous and the effects are vicious. In order to get the finance companies to pay their debts people who are already in debt must pay more interest on their debts and therefore they are really adding to the total debt by going to the company although they do not seem to realize this. In addition to that, if they are really influenced by this slogan they are so relieved that in an expansive mood they promptly walk down to the store that has just been paid off and, finding that their credit has been reinstated, buy more stuff that they cannot afford and should not purchase.

I have had it pointed out to me by people engaged in this field that the finance companies do provide a service to this type of debtor, that they do prevent the people from being hounded by other creditors and that, after all, the finance companies are entitled to a certain charge because they render a certain service. I do not quarrel with that but I regret that the type of advertisement the companies employ which seems so successful attracts the person who is already in financial difficulty. The companies appear to take the attitude that this group of people is their special meat and I feel they should draw the line somewhere.

I do not wish to extend my remarks unduly but if hon. members will bear with me I will touch lightly upon a few more facts. When we are attempting to decide how to amend the existing legislation in this field we must ask ourselves if it will do the job we want it to. We should pause and examine to see just how much needs to be done. For instance, if I am correct in interpreting the motive that would impel an hon. member to bring in a bill such as this it would appear that we are conscious of a need to protect people from exorbitant rates of interest.

Since we are discussing a bill designed to protect people, we should see just how much protection they already have. There are a tremendous number of acts in force in the various provinces which do hedge in the ordinary citizen. They support him on the left hand and on the right hand and protect him from getting into a lot of trouble. For instance, dealings with finance companies with respect to motor cars were mentioned. I think I mentioned it—if I did not I apologize but it can stand being mentioned twice—that in Alberta we have the conditional sales act which protects the purchaser from having to pay off the balance of what he owes on a car after he has lost the vehicle. Interest charges are limited as well by the Bank Act, the Small Loans Act and the Bankruptcy Act, and there is legislation protecting mortgage holders, and so forth.

Now, the general effect of all these acts is that we are in fact restricting in an ever narrowing degree the necessity of an

ordinary citizen thinking for himself or taking care of himself. I can recall the phrase that I have heard for years, namely, *caveat emptor*. I think that the mere mention of this phrase today is enough to cause most of my hon. friends to scream in anguish because we have gone so far away from it. Certainly, there must be a limit beyond which we must not mollycoddle grown-up citizens. Are we so ashamed of their will power that we want to protect them from any indiscretion whatsoever? Do we feel that they are so weak-kneed, so uneducated, so misdirected in their dealings with their fellow men and in their handling of their own businesses that we want to lead them by the hand at every age through life? I suggest, that that is not the way to build citizens who have strength of character, will power and the know-how to make leaders of the Canadian people, because our people are the raw materials which will advance and make this country of ours even greater than it has been. I am therefore, in one respect at least opposed to the thinking behind this bill. I am opposed to it because I feel it is unduly restricting the activities of our citizens.

I would not want to condemn any member for wanting to protect them and certainly these are two important factors. I feel that I have been perhaps a little too long on these two simple points, but if the house will bear with me I have one more point I should like to make. It has been mentioned today that interest rates are part of the price of money. When we consider the means of protecting people from wasting their money by paying the present interest charges and so forth, we should remember that the lending of money is a business. The money itself is the product of that business. If we decide that we must put a ceiling on interest rates, then we are automatically putting a ceiling on the possibility of profit in any money transactions.

In this country a person has the right to invest his money in any business he likes, whether he is in the construction business or in any other business. Certainly, I think it is unfair and discriminatory to put a ceiling on interest rates, as is suggested by the hon. member for Assiniboia. We should be very careful before we discriminate against any one class because if we do we say to him, "Your investment is of the type that we do not like and therefore we will not allow you to make as much profit as we will allow a man to make who had the foresight to put his money into a brickyard." Certainly, we must not have discrimination of that kind. I think that even my hon. friends on the other side of the house would not really press this too hard if they realized that they were in fact trying to discriminate against one group of profit-making citizens in this country.

I notice signs of movement in the house, Mr. Speaker. The remarks that I said would take a few minutes have stretched overly long. I hope that on the next occasion a bill similar to this comes up I shall be able to speak on a few other points similar to those which I have made which I think hon. members might find interesting.

Mr. H. W. Danforth (Kent, Ont.): Mr. Speaker, I take pleasure in rising to take part in this debate because in my constituency, as in most other constituencies in Canada today, there are a great many good, solid citizens and a lot of young folk who are taking advantage of instalment buying and the procurement of credit to make for themselves a good standard of living. Like other hon. members who have spoken, I have been very much impressed by the frank and sincere manner in which this debate has taken place today. I was very much impressed this afternoon by the way in which the bill was introduced. I was impressed by the thinking behind the moving of the amendment which suggested that the subject matter of this bill be given further study and it is my feeling that that is what should happen to the subject matter of the bill.

Today we have heard a great deal of terminology such as fantastic interest rates, the exploiting of the people, loan sharks, exorbitant interest rates, and so on. All of these words did create word pictures which perhaps did not follow the judgment and the thinking of the members concerned. With your permission, sir, just for a few moments, I should like to deal as frankly and as simply as I can with the elements of this matter and try to see what we as ordinary people would derive from the passage of this bill. I think perhaps I and most people do resent the fact that the borrowers of money have been represented here as something in the manner of weak-kneed people who fall prey to every person who has money to lend, regardless of the terms involved. I do not think that is a common practice at all. I think perhaps that when you are in need of money you shop around for the lowest interest rate, and I think most people shop around in this way as they shop for everything else.

We have heard today of various cases of extremely high interest rates and I am sure there must be such cases of extreme rates of interest charged. I wonder how many of these cases there are compared with the very many

thousands of cases of people in dire necessity who obtain money and are very thankful for it, as it aids them in their time of distress.

We appreciate that in this day and age everyone wants the most for the least, and certainly no one wants to pay a high rate of interest if a lower rate can be procured. We have heard today of the large stores with varying interest rates from 12 per cent to 54 per cent. The names of Eaton's and Simpsons-Sears were mentioned. I wonder whether this is a true picture of what actually happens. I should like to take as an example a boat with a purchase price of $1,800 that one might purchase from one of these stores on a monthly payment basis, with the interest and carrying charges included in the monthly instalments. I am sure if you will look at the matter very carefully, as most prospective shoppers do, you will find that the total price of the boat paid for on the instalment basis will be just about the same as the cash purchase price in the store next door. I suggest that this may be the case because corporations as large as Simpsons-Sears or Eaton's by making volume purchases can buy these boats at a price that makes this possible. So, perhaps this is a service to the public rather than a case of an extremely high rate of interest.

An interest rate of 12 per cent has been suggested today as the maximum amount that should be payable. I am not sure that this would be a workable percentage. Nothing was put before us today about the mechanics of such a maximum rate. We are not assured that a 12 per cent interest rate would be feasible and that the agencies lending money today could operate with a rate of 12 per cent. We are asked to assume that they can.

It is true that there are credit unions operating today at a 12 per cent interest rate. May I point out that perhaps they can do this because they do not have the expenses that other lending agencies have. We know of some instances where they do not have to pay for accommodation. There are instances where the people who operate credit unions do so on a voluntary basis. They certainly do not spend the same amount of money in advertising because in most cases their advertising is done by word of mouth or in leaflet form. There is not the extreme type of advertising that was illustrated this afternoon. Therefore they can perhaps operate at a 12 per cent limit whereas it would be impossible in most other instances. May I point out that although credit unions do operate most successfully one will still find that some of the members of various credit unions do take advantage of other sources of credit even though they have available the privileges of the credit union.

[Mr. Danforth.]

We have not heard anything today about the point of view of the lending agencies with regard to the matter of the limiting of interest rates. Where they are so directly concerned I suggest that it would perhaps be feasible to bring them into the discussion in order to present their views in full because I am sure they do not like the publicity that goes with extreme interest rates. It does not help their business a bit to have these cases widely publicized, and such cases are the ones that are widely publicized. I am sure that they would have as much interest as anyone else in seeing that such a situation did not exist and that proper legislation was brought forward to prevent its happening.

I wonder whether the legitimate lending companies do make the extreme amounts that have been portrayed today. If their profits are so high I wonder why there is not a rush to get into the legistimate business of lending money in this way. The numbers of loan companies do not vary to that extent. I should like to quote a paragraph from a speech containing reference to a brief submitted by the Canadian consumer loan association to the banking and commerce committee in 1956, which reads as follows:

> They compare profits, before deducting interest on borrowed money and income taxes, expressed as a percentage of employed assets, as between the consumer loan industry and 66 companies representing a cross section of Canadian industry. Included are such industries as utilities, steel, foodstuffs, newsprint, petroleum and base metals. It was found that consumer loan company profits for 1954 adjusted for the rates now in force ranged from 5½ per cent to 9½ per cent. Profits of the other companies ranged from 6½ per cent to 27 per cent and averaged out to 17 per cent.

I wonder whether these loan companies do charge the high rates of interest that have been portrayed. Today we have heard, even though a 12 per cent rate of interest has been suggested, that perhaps this rate could be too high. I am sure that everyone is interested in as low a rate of interest as possible and if everybody was assured that a 12 per cent rate would result in enough capital being placed on the market for creditors to borrow I am sure everybody would be happy with the situation. But there is always the danger that if the interest rate is limited the necessary capital will not be there.

I wonder what would happen to the people if they were not able to borrow the money they need. I have here a booklet entitled, "Three Experiments with Small Loan Interest Rates", reprinted from the *Harvard Business Review,* in which it is stated that in the state of New Jersey legislation was passed reducing interest rates from 3 per cent to 1½ per cent a month. This article deals with what actually does take place when

interest rates are reduced by legislation. I should like to read briefly from the booklet to indicate what did happen in the state of New Jersey.

When the rate reduction bill was passed in May, 1929, the volume of loans outstanding exceeded $20 million; on November 30, 1931, the volume was $5,400,000. The number of licensees declined from 437 on November 30, 1928, to 117 on November 30, 1931.

Chattel loans were reduced from $16,700,000 on November 30, 1928, to $3,400,000 on November 30, 1931, a three-year period. The article goes on to state:

Of the $3,400,000 of chattel loans outstanding on November 30, 1931, approximately $600,000 was reported by licensees who were making no new loans, and approximately $2,400,000 was reported by the eight offices of the Household Finance Corporation. This company, which had voluntarily reduced its monthly interest rate to 2½ per cent in 1928, announced that it could not operate profitably at 1½ per cent a month.

In 1932, after three years of the 1½ per cent rate, the New Jersey legislature increased the maximum rate of interest on small loans to 2½ per cent a month. I merely bring this to your attention to show that such a thing is possible. It is possible for us to legislate ourselves out of very necessary money.

I should like to put the thought before the house that perhaps those who borrow money are perfectly aware of the interest rates, that they know they are paying more than they would in other cases but feel that their investment is such that they are willing to take the chance in accepting this greater financial burden because they believe it will be a good investment. May I point out that perhaps this extra money would make possible the purchase of the farm next door which perhaps would not be on the market again for a generation, so the necessary money would have to be procured at once and perhaps the size of the necessary loan would not make it possible to borrow from the bank. May I point out that perhaps a fisherman is buying a new car, and suddenly has the opportunity of buying a share in the fishing boat he is operating. Perhaps he needs this source of credit to buy the share which was allotted to him.

There could be the possibility that the home down the street would suddenly be for sale, the one that the gentleman in question wished to buy and perhaps change into an apartment building as an additional source of income. There are many instances in which this capital is necessary, and I am sure those who borrow it are very certain of the interest rates they are obliged to pay and are very willing to pay them.

I have stated before that I am sure every hon. member in this house and the constituents they represent wish to have the opportunity of borrowing money at the lowest possible rate of interest. People do think of their pocketbooks. The bill, as it has been presented, would go a long way in limiting the amount of interest that could be charged. But I wonder if enough thought has been given to the 12 per cent rate. We have no idea whether it should be 12 per cent, 15 per cent or even 20 per cent. We are given 12 per cent as being, in effect, the ideal. I am suggesting that support should be given to the amendment so that the subject matter could be referred to the committee for further study and investigation. We all know that there are circumstances in which exorbitant rates of interest are being charged. These are the ones that we wish to legislate against, not the legitimate businesses that are trying to do a fine job. I am sure that if the officials of these companies were called in for consultation they would offer sound advice as to how such police measures could be introduced.

Mr. A. D. Hales (Wellington South): I rise at this late hour, Mr. Speaker, in these proceedings to take part in this very interesting debate. I should like to compliment the hon. member for Assiniboia (Mr. Argue) upon the very energetic and sincere manner in which he has introduced this bill. I would think that if the members of his party were in full accord with this bill they would lend more support to him than they have today.

Mr. Argue: We do not want to talk it out; we want a vote.

Mr. Hales: I think there are only two members in that corner who have taken part in the debate and brought some of these facts to our attention. I feel there are many more complex aspects of this bill than those which are being brought before us by the sponsor of the bill or the other members of his party.

I do not think there is any doubt about the importance of credit. We have all heard this afternoon and this evening about the many important phases of credit in so far as our economic structure is concerned. This has been very forcibly brought to our attention by many of the previous speakers. Since we have changed from an agrarian civilization to a more or less industrial civilization, a change has been brought about in our attitude toward this matter of credit. The suburban type of life that many live today has created a need for credit. The great increase in the volume of money lent by these companies is proof without a doubt of the need for this business of lending money. If it were otherwise I think we would not have seen the great expansion that we have seen in this business.

The government has kept pretty well apace with this expanding business in so far as legislation is concerned. I should like to bring to the attention of the house the various implications of the dovetailing of these two bills, No. C-3 and No. C-5, the amendment to Small Loans Act and the amendment to the Interest Act. I feel they are very closely related. Up until the Small Loans Act was passed in 1939 the only applicable law was the Money-Lenders Act which restricted the rate of interest on loans up to $500 to 12 per cent per annum. No mention was made in that act of the interest rate that might be charged on larger loans and this created a problem which resulted in interest rates of 400 per cent or 500 per cent developing. The Small Loans Act, therefore, was designed to plug the gap by providing for a rate, including all charges of any kind, on loans up to $500.

After a long study in which many interesting witnesses were called from social welfare groups, banks and loan companies, and after discussing it very thoroughly the committee decided that two per cent per month on the unpaid balance was a fair and reasonable rate. However, there was no restriction on loans over $500 until 1956, only three years ago. It was apparent at that time that the Small Loans Act needed overhauling. As a result we have, as you know, rates of interest set at 2 per cent per month on the unpaid balance up to $300; one per cent from $300 to $1,000, and one-half of one per cent from $1,000 to $1,500. Briefly, that is the government's position with regard to the legislation which is in force to protect borrowers in Canada. I feel, Mr. Speaker, this is as far as we should go. It takes care of by far the largest group of borrowers. It takes care of the group that we wish to protect just as much as our friends in the C.C.F. wish to protect them. I feel the low income group is protected by the Small Loans Act today.

Another point I feel we should consider before any changes are made is that this lending business is a process whereby money is bought and sold on the lending market. We all know that the cost of buying money is higher today than it was a while ago. I believe, in fairness to the loan companies, we should mention the fact that their costs of operation have gone up as well. I believe, therefore, it would be improper at this time to make a change, for that reason alone. After all, we should not be asked to legislate to protect people against their lack of good judgment or common sense. I do not believe it is practical to legislate to cover all situations in which people may find themselves. I understood the hon. member for Burnaby-Coquitlam (Mr. Regier) to say that in his province there was a ceiling imposed on the rate of interest that credit unions could charge. I wonder why the family he mentioned did not go to one of the credit unions to borrow the money because in this way they would have been protected to the same extent this bill suggests we should protect them. I should like to hear more of the facts in that particular case, because it seems rather odd to me that a well established bank would turn down a request for a $2,400 loan when the applicant had a house which was completely paid for and had no encumbrance against it.

The hon. member for Assiniboia told the house this afternoon that the total of all consumer credit outstanding in Canada, as of September, 1958 was $1,947 million, according to the Bank of Canada statistics survey from which he quoted. He also went on to say that, according to that same survey, the banks had done a poor job on the consumer credit basis. He went on to say that they had been doing only about 25 per cent of the consumer credit business. But that business in total is $499 million. This amount of business done by the banks was transacted on the basis of approximately 11¾ per cent, or about the same figure that he is proposing in this bill. Of this total amount of business of $1,947 million, the small loans companies did $372 million worth. That is a terrific amount of business which they have done, over and above what the banks have done. These people that use the small loans companies which had this vast amount of business went to those loans companies for various reasons. Maybe their credit rating was not sufficient for the banks; maybe it was a matter of accessibility; maybe some personal reasons were involved. There may have been many reasons why they went to the small loans companies and did $372 million worth of business.

If my hon. friend wishes to take away this opportunity and to make this amount of money unavailable to the people of Canada, where will these people go for their credit? What effect will this action have on our country's economic situation? I have heard hon. members talking, not only in that corner of the house but in other places, about unemployment. If we take $372 million out of circulation on the small loans companies basis, I would think that action would have a direct bearing on unemployment today. What about those thousands of young people who are moving into new homes? How are they going to furnish these homes and equip them with stoves, refrigerators, and such things if small loans are not made available to them?

Then I come to this business of 54 per cent interest on a $20 article which the hon. member mentioned this afternoon. I am not going to say anything about the 54 per cent. I am going to stick to that figure of $2.25 which he used in respect of this particular article. It might be a hot plate; it might be a steam kettle or some other appliance or piece of equipment which is needed. The buyer of this piece of equipment may feel, "It is worth $2.25 to me to have this piece of equipment; we need it and in order to increase our standard of living it is essential". He is therefore quite willing to pay $2.25 for the use of this article. I do not think it is the function of the government to tell that man whether he should or should not have this article, or whether it is essential that he have this product. I do not see why we should be asked to legislate in order to alter people's minds. We must give people some credit for using common sense and good judgment.

There is another way in which to look at this matter. Maybe this particular article was on sale. Maybe he saved two or three dollars by buying it when it was on sale and so saved the $2.25 or at least had that saving coming to him as a result of this special sale. I think there are many occasions when it may be advantageous to the purchaser to use the small loans business which is made available to him. It may be all right for us to pass legislation whereby we tell the lenders that they cannot charge more than 12 per cent for loans. But on the other hand, we cannot tell them that they must lend the money. That is a decision that it is up to the businessman to make, in my opinion. This would not be the case if the socialistic idea were put into force.

This bill would freeze the limit of interest on credit to 12 per cent. On the one hand you would freeze the interest rate on the money lent. But on the other hand, the loan companies must go out and buy the money. On the one hand they are told they cannot charge more than 12 per cent. On the other hand, there is nothing in the act to say that the price at which they buy this money must be a stable one. You cannot freeze the rate on one side without doing the same thing on the other side. The selling price and the cost price of money must be handled in the same way in either case.

I take the view, Mr. Speaker, that we are operating under a free enterprise system. I am happy to say that I belong to a party which down through the years has promoted free enterprise in business. I feel that money is no different from any other commodity; it is bought and it is sold. In a free market it will seek its own level. If this business of small loans is as lucrative as our friends in the corner tell us it is, I say that many people will get into the small loans business. The more people we get into the small loans business, the more competitive it will become and in the long run competition should control the maximum and control the business. Therefore, Mr. Speaker, I feel that at the present time the situation is well in hand.

Mr. Winch: I'll say it is. It is ten o'clock. It surely is well in hand.

Mr. Hales: At the moment I would not support the principle of the bill but I would go so far as to say that I should like to see it to go to a committee and to have it studied further.

Mr. Speaker, may I call it ten o'clock?

Mr. Winch: You surely can.

BUSINESS OF THE HOUSE

Mr. Chevrier: Will the house leader be good enough to indicate what the business is for tomorrow?

Mr. Green: Tomorrow, Mr. Speaker, we shall commence with the supplementary estimates. Then we shall take the resolutions on housing, the Trans-Canada Highway Act, the Northwest Territories Act, the St. Lawrence Seaway Act, the National Defence Act and the Fisheries Improvement Loan Act.

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

Questions

ANSWERS TO QUESTIONS

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

COAL SUBVENTIONS, QUEBEC AND ONTARIO

Question No. 116—**Mr. McWilliam:**

1. What are the subventions payable on coal for the different modes of transportation to the Quebec and Ontario markets?
2. What was the per ton subvention paid in 1958?
3. What was the total subvention paid in 1958?

Answer by: **Hon. Paul Comtois (Minister of Mines and Technical Surveys):**

1. The amounts authorized in orders in council: P.C. 1958-520; P.C. 1958-521; P.C. 1958-519; P.C. 1958-518; P.C. 1958-516. These are as follows:

Nova Scotia Coal for General Consumption

Shipped by rail to points in Ontario and to points in Quebec in the districts of Temiskaming, Pontiac, Gatineau, Papineau and Argenteuil:	Subvention payable: 60 per cent of the freight rate or $4.50 per net ton, whichever is the lesser.
Shipped by rail to points in Quebec in the districts of Charlevoix, Chicoutimi, Jonquiere-Kenogami, Lac St. Jean and Roberval:	Subvention payable: 25 per cent of the freight rate.
Shipped by rail to points in Quebec in the districts of Montmorency, Quebec, Portneuf and Laviolette:	Subvention payable: 35 per cent of the freight rate.
Shipped by rail to points in Quebec in districts other than those named above excluding points east of Levis:	Subvention payable: 45 per cent of the freight rate.
Shipped by water to ports in Quebec on the St. Lawrence river or the gulf of St. Lawrence:	Subvention payable: the difference between the laid down cost of Nova Scotia coal and imported coal at the designated ports or $3.00 per net ton, whichever is the lesser.
Shipped by water to ports in Quebec on the St. Lawrence river and gulf of St. Lawrence for subsequent transshipment to points in Ontario or to points in Quebec in the districts of Temiskaming, Pontiac, Gatineau, Papineau and Argenteuil:	Subvention payable: $3.00 per net ton.
Transshipped by water, rail or truck from docks at Montreal, Three Rivers and Quebec to destinations in Ontario and Quebec:	Subvention payable: an additional $2.25 per net ton or the difference between the laid down cost of the Nova Scotia coal and imported coal at the destination, whichever is the lesser.

Nova Scotia Coal for Use by the Railways

Shipped by rail to points in Quebec and Ontario:	Subvention payable: the difference between the laid down costs of Nova Scotia coal and imported coal at the designated points or $4.00 per net ton, whichever is the lesser.

Springhill Colliery Assistance Order

In addition to the normally authorized subvention assistance for Nova Scotia coal, further special assistance was provided for coal shipped to Quebec and Ontario from the Springhill colliery, as follows:

Shipped by rail to points in Ontario and Quebec for direct consumption:	Subvention payable: to assistance authorized by P.C. 1958-520, an additional $2.00 per net ton on Springhill colliery coal.
Shipped by rail to coal docks in Montreal, Quebec and Three Rivers for blending with other Nova Scotia coal:	Subvention payable: to assistance authorized in P.C. 1958-520, an additional $3.50 per net ton on Springhill colliery coal.

Springhill Colliery Assistance Order—Conc.

Transshipped by rail, water or truck to points in Ontario and Quebec, after blending with waterborne Nova Scotia coal at Montreal, Quebec and Three Rivers:	Subvention payable: on the Springhill colliery content of the blend, $2.25 per net ton or the difference between the laid down cost of Nova Scotia coal and imported coal at the destination, whichever is the lesser.

New Brunswick Coal for Consumers Other Than Railways

Shipped by rail to Ontario and Quebec excluding points east of Levis:	Subvention payable: 45 per cent of the freight rate or $2.50 per net ton, whichever is the lesser.

New Brunswick Coal for Use by the Railways

Shipped by rail to points in Quebec or Ontario:	Subvention payable: the difference between the laid down costs of New Brunswick coal and imported coal at the designated points or $4.00 per net ton, whichever is the lesser.

Saskatchewan Coal for Industrial Consumers

Shipped by rail to points in Ontario:	Subvention payable: 20 per cent of the freight rate or $1.00 per net ton, whichever is the lesser.

British Columbia (Crowsnest) and Alberta Coal for Industrial Consumers

Shipped by rail to points in Ontario:	Subvention payable: the difference between the laid down costs of the western coal and imported coal at designated points or $4.00 per net ton, whichever is the lesser.

British Columbia (Crowsnest) and Alberta Coal for Non-Industrial Consumers or for Railways Other Than in Locomotives

Shipped by rail to points in Ontario to which the freight rate per net ton is less than $8.60:	Subvention payable: 20 per cent of the freight rate.
Shipped by rail to points in Ontario to which the freight rate per net ton is more than $9.00 but less than $11.00.	Subvention payable: $3.50 per net ton.
Shipped by rail to points in Ontario to which the freight rate per net ton is $11.00 or more.	Subvention payable: $4.00 per net ton.

British Columbia (Crowsnest) and Alberta Coal for Use by Railway Locomotives

Shipped by rail to points in Ontario:	Subvention payable: the difference between the laid down costs at designated points of western coal and imported coal or $4.00 per net ton, whichever is the lesser.

2. The subvention paid on coal shipped to the Quebec and Ontario market in the calendar year 1958 averaged $3.18 per net ton (subject to final audit and adjustment).

3. The total subvention paid on such coal in the calendar year 1958 was $9,378,504 (subject to final audit and adjustment).

HOUSE OF COMMONS

Friday, February 13, 1959

The house met at 11 a.m.

COMMITTEES OF THE HOUSE

First report of standing committee on agriculture and colonization—Mr. Stanton.

EXTERNAL AFFAIRS—MOTION FOR CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, on behalf of the chairman of the committee on external affairs, the hon. member for Middlesex East (Mr. White), by unanimous consent I move, seconded by the hon. member for York West (Mr. Hamilton):

That the first report of the standing committee on external affairs, presented on February 12, 1959, be now concurred in.

Mr. Chevrier: Mr. Speaker, I understood yesterday from the leader of the house that he was going to make a motion dealing with other matters. I would like to address myself to the motion and perhaps discuss it at the same time, if I am allowed to.

Mr. Green: Mr. Speaker, once these motions are dealt with I intend to move that certain estimates be referred to certain committees.

Mr. Chevrier: May I be allowed to present the position of the opposition with respect to the matter that is now before the house?

Mr. Speaker: I will hear the hon. member after I put the motion. It has been moved by Mr. Dinsdale for Mr. White, seconded by Mr. Hamilton (York West), by unanimous consent:

That the first report of the standing committee on external affairs presented on February 12, 1959, be now concurred in.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I thank the hon. member for Middlesex East for allowing this motion to stand over until today. What I intend to say now is that this motion, if it is passed, will create a serious hardship for those of us who sit in the opposition on this side of the house. I refer particularly to that part of the report which seeks the authority of the house to sit while the house is sitting.

There are many things I could say on the subject matter in general, but I know it is not the intention to have a general debate on it and I shall be brief. I shall say this only. If the government wished it could, as it did at one period last year, have a number of those committees sitting at the same time. For instance, I am informed that at one stage last year there were as many as six committees sitting while the house was sitting. On the six committees which reported yesterday there are 66 members from the Liberal side of the house. That in effect means this, that if all of us were to attend to our duties in the committees there would be no one, or practically no one, left in the house to look after the business of the house. That is why I say this is taking undue advantage of the position in which the opposition finds itself. I should also like to point out to the government that this is the first time in the last 20 or 25 years at least that the opposition has found itself in such a position.

Some hon. Members: Oh, no.

Mr. Chevrier: Well, let me give the figures and we will see. I am informed that from 1936 to 1940 there were 74 members in the opposition, from 1940 to 1945 there were 67, from 1949 to 1953 there were 75 and from 1953 to 1957 there were 95.

Mr. Diefenbaker: You mean in all parties.

Mr. Chevrier: All parties. Today in all parties there are 57, I believe, which is a considerably smaller number than obtained in those years. The result is that we are being asked to do now a far greater amount of work than was required at that time, and I think it is unfortunate that the government is giving no consideration to that position.

May I remind the house that the Prime Minister on more than one occasion—I think at least twice—gave some indication to the house that he intended to come to the assistance of those of us who sit in the opposition by providing us with additional help of some kind. That was not forthcoming, and I am not complaining; but what I am complaining about is that we who sit on this side of the house are not in a position to fulfil adequately the three responsibilities we have to fulfil, namely to sit as members of these committees while the house is sitting if the government so decides, to attend to office work involving correspondence and the like which must of necessity be handled in the forenoon, and to sit in the house to attend to our parliamentary duties.

So I ask the government to give consideration to the position in which we find ourselves. It is a condition that perhaps I should not be complaining unduly about from the point of view of representation, but I am complaining about it from the point of view of work. This is simply asking too much of us. I believe I know what the house leader is going to say. He is going to say that they are taking this power now and may not use it, or may not use it until near the end of the session. My reply is that the power should not be taken unless it is intended to use it. It is quite easy for a committee to take this power in the dying days of the session when it is perhaps necessary to do so, but I do want to insist on the fact that if the government desires to have four or five or six committees sit and we have to attend to our duties on those committees, it will be next to impossible to attend to those duties and be in the house at the same time. I ask the government if it will not reconsider the untenable position in which we are placed at the moment.

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, my good friend the hon. member for Laurier (Mr. Chevrier) has made one very significant statement today which should not be overlooked. He has made it official that there has been a marriage between the Liberal and C.C.F. parties. He says they are blood brothers, that they are all one now, and that when it is a question of how the work of the opposition is to be done they are all working together and have not got as many in this brand new party as they would like.

Mr. Winch: The marriage has not been consummated.

Mr. Green: What I am very anxious to hear is the reaction of the leader of the C.C.F. party to this very interesting proposal.

Mr. Argue: A plague on both your houses.

Mr. Green: I know that while we were in opposition, although we got along splendidly with our friends of the C.C.F. and Social Credit parties we certainly were never in the position in which the Liberals find themselves today, of trying to take the C.C.F. in and make one party.

Mr. Pickersgill: They took you over.

Mr. Green: May I give them a warning right from the heart. The big danger they face today is that the C.C.F. will take them over in the next few years. Yet every—

Mr. Speaker: Order. I dislike interrupting the minister when he is in this vein, but I must warn him that he is straying far from the subject.

[Mr. Chevrier.]

Mr. Green: I submit that this is very material, because the hon. member for Laurier argued that there were only 57 members to do all the work of the opposition. He treated them as one big lump. Surely I am in order in talking in this vein. I am very serious about what I say. This C.C.F. party, throughout its history in the House of Commons, has stood on its own feet and not tried to combine with any other party. Sometimes it will support one party or the other, and the next day it will be against them. I am sure that is their position today.

This attempt, just for the purpose of making an argument, to lump the C.C.F. with the Liberal party in a request that they not be made to work too hard and to try to get sympathy, is just a lot of poppycock. The actual fact is that these Liberals do not want to work too hard, and they are never here to work in the first place. Here you have eight members of the C.C.F. taking their full part in the debates in the house, and going into a committee where they may have only half a member—

Some hon. Members: Oh, oh.

Mr. Green: —yet that half member makes more noise than all the rest of the committee put together.

Now, the sad and harrowing tale we are told today, that the poor Liberals are so tired they cannot possibly do their duty in the committees, is just too bad. What was our position when we were in opposition? For 18 long years we had fewer members than there are in the Liberal opposition today. It may be that from 1953 to 1957 we had about the same number as there are in the official opposition today.

Mr. Pickersgill: What about from 1945 to 1949?

Mr. Green: For the whole time, except from 1945 to 1949, we were in the same position or a worse position than they are today. Did we come whimpering to the house?

Mr. Pearson: You certainly did.

Mr. Green: We used the small numbers we had, and three or four men on the front benches did not try to do all the work. This is one of the reasons that we are over here on the government side today. Today the Leader of the Opposition is just like the little boy at the dike, only he is running from one dike to the other all the time the house is sitting trying to stop all the holes.

Mr. Pearson: The water is certainly coming through.

Mr. Chevrier: The government is going in all directions.

Mr. Green: These Liberals were in power so long, sitting in their seats and letting other people do the work, that they do not know how to take their coats off and get to work. They have able men on the back benches. For example, there is the hon. member for Nipissing. Why not let him lead one of their teams in the committees? No; these four horsemen of the Apocalypse have to be on every committee, and naturally they get out of breath sometimes.

What is the position, Mr. Speaker? The motion, in its present terms, has been the customary motion for many years.

Mr. Pearson: No, it has not.

Mr. Green: Oh, yes.

Mr. Pearson: Prove that.

Mr. Martin (Essex East): Not at this time of the session.

Mr. Green: Ever since I came here in 1935. The hon. member for Essex East I understand agreed in the committee on external affairs that this report was the correct report.

Mr. Martin (Essex East): Mr. Speaker, I rise on a point of order. I said no such thing. What I said to the chairman was that we would agree to it on the understanding that it would not interfere with our obligations in this house; and that is the tenor of the submission made by the hon. member for Laurier (Mr. Chevrier) and now being ignored by my genial friend the master of irrelevancy.

Mr. Green: I must admit, Mr. Speaker, that the hon. member for Essex East should be a good judge of irrelevancy.

Mr. Pearson: He is.

Mr. Green: Let us consider, for example, this motion in connection with the report of the external affairs committee which is under consideration. This committee will be hearing General McNaughton one of these days. General McNaughton has many other things to do. He is out of the country a good deal. It has been the custom to hear him right through when he is called. Perhaps only as a matter of courtesy he will be heard in the afternoon when the house is sitting. It is perfectly proper that this committee should ask for that power. I do not think my hon. friends can bring out one instance in the last session when they were not given reasonable treatment in every committee of the house.

Mr. Chevrier: Yes, I can give an example. While the committee on public accounts was sitting we were asked to sit both morning and afternoon while the house was sitting, and we protested. Not only did we protest but we said that we would not attend the meetings of the committee, because we felt that the business of the house was more important than that of the committee. That is what I am pointing to.

Some hon. Members: Oh, oh.

Mr. Green: Mr. Speaker, the public accounts committee was hardly a good example to give to the house for the conduct of other committees.

Mr. Pickersgill: I agree with that statement.

Mr. Chevrier: That is quite right.

Mr. Green: That statement applies, of course, not only to our side of the house but also to the hon. member for Laurier in so far as he took part in the deliberations of the committee, and to the hon. member for Bonavista-Twillingate (Mr. Pickersgill). I can assure the hon. member for Laurier and his brothers over here in the C.C.F., if they need assuring, that every consideration will be given to them. We have a clear recollection of the difficulties of being in opposition.

Mr. Chevrier: But my hon. friends did not give that consideration previously.

Mr. Green: My hon. friend is rather hard to please on occasion.

Mr. Chevrier: I am not hard to please; on the contrary.

Mr. Green: We will give them every consideration, Mr. Speaker. I was going to quote what the hon. member said about what a fair house leader I was last year, but I will spare him that experience.

Mr. Martin (Essex East): That was last year.

Mr. Pearson: The hon. member is slipping.

Mr. Green: The hon. member for Essex East said "last year". I assure him that this year I am a year older and, I am afraid, a great deal more mellow than I was last year. This attempt to create sympathy across the country for the poor, hardworking Liberals is just a phony, Mr. Speaker, and we believe the motion should be carried.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I do not think the serious business of the House of Commons deserves the type of speech to which we have just been subjected.

An hon. Member: You feel sorry for yourself, too.

Mr. Argue: I think it is most inappropriate for the leader of the government in the house to take this attitude toward this important business that comes before us. It seems to me

that it is a growing attitude on the part of this government, and that the government does not consider seriously the things that are being discussed. Instead of giving us some sound argument, and instead of trying to co-operate with all members of the house in dealing with the business of the house, we are subjected to a type of soapbox oratory which only the Minister of Public Works can attain.

Some hon. Members: Oh, oh.

Mr. Argue: I am not at all offended by the things he said about the Liberals and the C.C.F. party. I know that when the Liberals were on the government benches we had a couple of Tory parties in this house, and now that the Liberals are in opposition they can, of course, change their attitude in certain ways. But we have demonstrated at all times that we are prepared to take a clear stand on our own. I think a vote which demonstrated this most aptly this session was a vote which might not have been necessary except that the government thought it might put the opposition on the spot by calling a vote on the main motion with regard to the address in reply to the speech from the throne. But on that occasion we found these two old Tory parties, one calling itself Liberal and the other Progressive Conservative, in the same bag voting together.

Mr. Speaker, it is impossible for members of this house to act effectively on committees when the government follows the policy of having a great many committees meet while the house is sitting. There is no member of this house who does not wish to expedite the work of the house and the work of the committees; but this is a method, from the experience we had last session, which the government is using to make it virtually impossible for members of parliament to carry on in an effective way the business that is their responsibility.

We have heard about important people coming to appear before committees, and the difficulty of keeping them here for a number of days if the committees do not sit when the house is sitting. There is something in that argument, but only something. I do not know of any instance in the past when opposition members have objected to necessary sittings in order to hear important witnesses. In years gone by I can remember when we have had important witnesses appearing before the agriculture committee, such as members of the board of grain commissioners, members of the wheat board, some of the veterinarians concerning the great controversy over foot-and-mouth disease, but we always got the same story: "We have to have extra sittings because these people have to get back to Winnipeg". We have had the extra sittings, have missed work in the house, and some of these important witnesses have been seen walking around the corridors for another day.

Therefore I think the members of this house should not support this measure at this time, a measure designed by the government to make it impossible for members of the opposition to do the kind of work that is their responsibility. How often have we heard the Prime Minister when in opposition say to the government that they should not use their big majority to override the opposition in such a way as to undermine the effectiveness of the House of Commons. I suggest that at this time, when this session is barely under way, this is no day to ask for the blanket approval of one motion after another to give all these committees the right to sit when the house is sitting.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, perhaps it would not have been necessary for me to take part in this discussion if it had not been for the amusing but meaningless irrelevancies of my hon. friend the leader of the house, who tried to tell us on this side, with that amiable arrogance which at times is characteristic of him, how we should do our job. We appreciate his advice—

Mr. Green: If you followed it.

Mr. Pearson: If we followed it we would probably be following very bad advice indeed; because surely, Mr. Speaker, it is not really the objective of the leader of the house to help us do our job. He might well lure us into a position where he would not be able to do it as effectively as otherwise we would. Therefore his advice is suspect on this matter, as is also his impassioned defence of the rights of the C.C.F. against the effort on our part, Mr. Speaker, to link ourselves with the C.C.F., as we shall do on all matters which affect the rights of the opposition in this house.

We remember, Mr. Speaker, the emotional and impassioned utterances of the present Prime Minister about the rights of the opposition against what he used to call an arrogant majority trying to dictate and determine how business in this house should be conducted. We remember even in the last session the assurance he gave us that not only would everything be done that could be done to give the opposition their rights in this house, but that no step would be taken to prevent the opposition discharging its primary duty, which is in the House of Commons and not primarily in committees.

We object to this move on the part of the government to divert—and it is more than a 15 per cent diversion—more and more of the business of this house to committees at the beginning of the session in accordance with the United States style of congressional government, which inevitably will prevent the opposition from doing its main job in the House of Commons where the work of government should be primarily conducted.

The minister said this kind of motion has been made for 20 or 25 years. I would ask him to point to any motion in 25 years which at the very beginning of the session, shortly after the debate on the speech from the throne concluded, sought to set up so many committees or give so many of them the right to sit while the house is in session. It has been done in respect of isolated committees on rare occasions, but we are being asked to agree to this step with respect to six committees. I suggest it is unprecedented, and if it is not unprecedented it is surely highly irregular.

We in the opposition are not alone in objecting to this motion. In the agriculture committee yesterday when this question came up, 10 of the Conservative members of that committee voted against the proposal to give the committee this power. I am quite sure that these 10 hon. gentlemen, being independent Conservative members, will undoubtedly support the stand we are taking on their behalf as well as on our own behalf at this time.

We base our case on the fact that it is reasonable. We are not whining or asking for sympathy. I believe we will be able to do our job without the help of the leader of the house. We are simply asking that this matter be postponed until it becomes clear that it is necessary for these committees to sit while the house is in session. Surely that is a reasonable position. When the time comes, as it undoubtedly will, when these committees have to sit while the house is in session we will co-operate in any motion to that effect; but to ask us to do so at the beginning of the session is unnecessary and unwarranted.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am not going to enter into the apparent controversy between the two groups in the opposition, except to note that the hon. member for Assiniboia (Mr. Argue) certainly disavowed at the earliest possible opportunity the marriage of inconvenience that was suggested by the hon. member for Laurier (Mr. Chevrier). He was not taking any chances on that, and he made it very clear.

I for one am always most anxious to see that the house operates in a way that allows the opposition to place its views properly and fairly before the house. I know something of what it is to be a member of a small opposition, and I realize that the responsibilities resting upon an opposition are very great. When an opposition endeavours to place before the house and the country its ideas and suggestions, that is after all its duty, objective, purpose and responsibility.

The Leader of the Opposition (Mr. Pearson) speaks about this horrible innovation of having committees sit while the house is sitting and tells what a shock it has been to him that we should ever suggest that committees sit while the house is sitting, but I would point out to him that I have before me the *Journals* of 1956. I find recorded there that the house opened on January 11 in that year. The committee on banking and commerce presented its first report on March 6 and requested that the quorum be reduced and that permission be granted to sit while the house was sitting, to which unanimous concurrence was given. On March 8 there was a further motion that the committee on public accounts be given permission to sit while the house was sitting, and by unanimous consent the report was concurred in. On March 13 the standing committee on external affairs presented its first report and recommended that it be authorized to sit while the house was sitting, and again by unanimous consent the report was concurred in.

Mr. Chevrier: May I ask the Prime Minister a question?

Mr. Diefenbaker: Surely.

Mr. Chevrier: Was there any occasion in *Votes and Proceedings* or *Journals* from which the hon. member is reading when six committees asked for this power in February?

Mr. Diefenbaker: Mr. Speaker, all that is being done at the moment is that the committees are being set up and given this power. This is an act on the part of this house to give this power at this time, and I shall make it very clear that whenever the hon. members of this house fairly and responsibly find themselves in a position in which an injustice is being done in any way and the matter is brought to my attention, I shall do everything I can to rectify it.

All we are asking is that power be given to these committees to sit while the house is sitting, as has been done in the past and as has been recommended in the first report of committees on previous occasions. Certainly there is nothing out of the ordinary in such a move. The position taken by those in opposition is purely a smokescreen designed to lead the Canadian people to think that because we

have a majority we on this side of the house are trying to use it unfairly over the opposition. We have done everything to ensure that every opportunity will be given to the opposition to discharge its responsibilities in a proper manner. I for one will say unequivocally that if at any time there is any action taken that would deny members of the opposition a fair opportunity of discharging their responsibility, I shall immediately see to it that a change is made in order to assure justice and fairness.

All this talk this morning is simply designed to create the impression that we are seeking to prevent discussion. I only hope that hon. gentlemen opposite continue to discuss this question in the manner they have, because having regard to some of the contributions made and as long as the discussion is of the nature of that which has occurred here today —a nature that has characterized their contributions in this house on more than one occasion—there will be nothing in particular to be concerned about on our part.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I wonder whether I could ask the Prime Minister a question in relation to that portion of his remarks that was in the nature of an undertaking on his part. Does he consider that the conduct of the banking and commerce committee last year, when it was dealing with the estate tax legislation, is the type of abuse that he would seek to prevent?

Mr. Diefenbaker: Mr. Speaker, I think that committee did an exceptionally good piece of work, and there was nothing to indicate abuse in any sense of the word.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, while I like to have a kindly man advising me at all times, I think it is hardly in keeping with the traditions of this House of Commons that one man should rise in his place and advise his little family that they can rest assured; father knows best, and if at any time there may be any little bit of hardship or any little bit of inconvenience or difficulty, they can all come running back to father and papa will look after their needs and assure them that they will be well looked after. I think that attitude, Mr. Speaker, is most disrespectful of the functions this House of Commons ought to perform.

After all, if these committees will not be needing this power for some time yet I see no reason why the age-old practice, which is well established by precedents, should not be adhered to. If and when the time arrives that these committees must meet while the house is sitting, a separate motion can then be brought before the house. This has happened over and over again, except in the odd instance. However, exceptions are not the rule, even though in the opinion of some they may make the rule.

Who decides whether committees of this house shall sit while the house is sitting? I maintain it should be the members of this House of Commons, and not any one individual. We used to complain about parliament being run by the cabinet. I believe, Mr. Speaker, a dangerous situation is now arising because we now have not only parliament but the cabinet being ruled by one single individual. The members of the House of Commons are supposed to rest content; they are supposed to waive their rights and prerogatives in favour of a blanket assurance that all their wishes are going to be respected. I am realistic enough to know that kind father cannot keep those promises, because no parliament would be able to function efficiently if the members were always assured that all the wishes and conveniences of individual members were going to be attended to.

No, Mr. Speaker; after listening to a television broadcast the other evening I fully realized that there were many members in this House of Commons who may be—and for various reasons—unable to participate as effectively as they might like to in the work of the House of Commons, and that therefore there may be political hay to be made outside the House of Commons by making newspaper headlines through the speeches they make somewhere outside this house.

I have many reasons to believe that one of the urgent reasons for this motion is to give some of the backbench supporters of this government a chance to make a little bit of political hay which they otherwise would be unable to make. I hear there are many independent Conservatives who agree that there is no need for this motion, and I would like to move, seconded by the hon. member for Timmins (Mr. Martin) that the motion now before us be amended by deleting therefrom recommendation No. 1 and renumbering the present recommendation No. 2 as No. 1.

Some hon. Members: Question.

Mr. Speaker: I refer the hon. member who has proposed a motion by way of amendment to citation 323 of Beauchesne's *Parliamentary Rules and Forms,* fourth edition, the second paragraph, which states:

> A report from a committee cannot be amended by the house, but it must be referred back to the committee.

The motion is out of order and must be rejected.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I move, seconded by the hon. member for Skeena (Mr. Howard), that this report be referred back to the committee.

Surely the Prime Minister does not expect the members of the opposition to have the same confidence in his assurances that he has himself or that the members of his party may have. Yesterday we attended three of those committee meetings, and we were surprised at several aspects of those meetings. I assumed that these were meetings of the members of the committees as they were brought in by the striking committee. I assumed that the members were going to decide on the things that were to take place in those committees, but that is just not true. In one particular instance, when the clerk of the committee asked for nominations I moved a nomination and the nomination was completely ignored, although there was a seconder available. The committee went on to accept the motion that had been prepared previously on a party basis, and that is what was expected. The parliamentary procedure that normally prevails in a committee, as it is understood on this side of the house, was not observed in this instance.

As I understand the procedure, the clerk calls for the nomination. An hon. member moves the nomination, and as a rule in committee it does not need to be seconded. The nominee has not the right to withdraw until the nominations are closed. He can then choose to withdraw or accept the nomination. Those elementary rules were not followed. Several other motions were moved. Those motions were moved and the names of those who were moving and seconding them were written down on a piece of paper. These names were not proposed by the committee but came from some other source as a matter of policy. I suggest that this is not my understanding of how committees should be constituted and how their work should be carried out.

I was also very surprised to learn that a motion such as this should be introduced at this time in the three committees that I attended. After all, it was only the first day that the committees sat. This is no longer an emergency session. This is not a session that was called with an election anticipated very shortly.

Mr. Dinsdale: On a question of privilege or a point of order, I was a member of the external affairs committee which sat yesterday, and I do not recall any of the situations developing about which the hon. member is speaking. It has no reference to what took place in the external affairs committee.

Mr. Peters: Mr. Speaker, the remarks that were made previously have been of a general nature. It is true that the hon. member and I did not attend the same committees. Since general remarks have been made, I thought I could make those remarks on this matter of asking committees to sit while the house is sitting. I do not think there is any emergency; and certainly in the years when the house was changing the rules if there had been any desire to have the committees act in this way, it would have been placed in the rules of the house.

Second, as time goes by and the end of the session draws near there may be some justification in reducing the quorums of committees for the reasons that have been given, those reasons in many cases being quite bona fide. Nevertheless I do not think there was any justification for certain members, who had no recollection of past abuses because they were attending their first committee meeting, coming to those meetings and asking for a reduction in the quorums. These things may be necessary at a certain time, and I think our group will agree to them when the necessity is such as to indicate that it would be advantageous to do something about the matter; but I think we are working considerable hardship on the members of this house so far as the discharge of their duties is concerned when both these requests are made at this time.

Mr. Speaker: I am sorry the hon. member has not yet complied with the rules if he wishes to refer the report of the committee back to the committee, because a reference back would accomplish nothing unless the house instructed the committee what to do. The committee is not able to change its own decision. That is clearly pointed out in citations 322 and 323 of Beauchesne, fourth edition. In the absence of a motion which is acceptable, is the house ready for the question?

Some hon. Members: Question.

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

YEAS

Messrs:

Aiken	Asselin
Aitken, Miss	Balcer
Allard	Barrington
Allmark	Baskin
Anderson	Bell (Carleton)

Division

Bell (Saint John-Albert)
Belzile
Best
Bigg
Bissonnette
Bourbonnais
Bourdages
Brassard (Chicoutimi)
Brooks
Broome
Browne (St. John's West)
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Campeau
Casselman, Mrs.
Cathers
Charlton
Chown
Churchill
Clancy
Comtois
Cooper
Crouse
Danforth
Diefenbaker
Dinsdale
Dorion
Drysdale
Dubois
English
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flynn
Forbes
Frechette
Fulton
Grafftey
Green
Grenier
Grills
Gundlock
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Hanbidge
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Jones
Jorgenson
Jung
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lafreniere
Lahaye
Lambert
LaRue
Lennard
Macdonnell
MacEwan
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
Macquarrie
McCleave
McFarlane
McGee
McGrath
McIntosh
McLennan
McPhillips
McQuillan
Maloney
Mandziuk
Martel
Martini
Matthews
Monteith (Perth)
Monteith (Verdun)
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nielsen
Nowlan
Nugent
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Paul
Payne
Pearkes
Phillips
Pigeon
Pugh
Rapp
Regnier
Richard (Kamouraska)
Robinson
Rogers
Rompre
Simpson
Slogan
Small
Smith (Calgary South)
Smith (Hastings-Frontenac)
Smith (Lincoln)
Smith (Winnipeg North)
Southam
Speakman
Spencer
Stanton
Starr
Stearns
Taylor
Thomas
Thrasher
Tremblay
Valade
Villeneuve
Webster
Weichel
Woolliams
Wratten—156.

[Mr. Speaker.]

NAYS

Messrs:

Argue
Badanai
Batten
Benidickson
Boulanger
Bourget
Caron
Carter
Chevrier
Deschatelets
Dumas
Dupuis
Fisher
Forgie
Garland
Gour
Granger
Habel
Hardie
Herridge
Houck
Howard
Macnaughton
McIlraith
McWilliam
Martin (Essex East)
Martin (Timmins)
Michaud
Mitchell
Nixon
Pearson
Peters
Pickersgill
Regier
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robichaud
Rouleau
Tucker
Winch—41.

BANKING AND COMMERCE—MOTION FOR CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. C. A. Cathers (York North): Mr. Speaker, by unanimous consent I move:

That the first report of the standing committee on banking and commerce presented on February 12, 1959, be now concurred in.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Alexis Caron (Hull): Mr. Speaker, I am not inclined to give my consent and to make it unanimous, lest advantage might be taken of the situation in order to railroad something else. I am opposing the motion.

Mr. Speaker: Failing unanimous consent, notice of this motion must be given in the usual way.

MINES, FORESTS AND WATERS—MOTION FOR CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. J. W. Murphy (Lambton West): Mr. Speaker, by unanimous consent I move:

That the first report of the standing committee on mines, forests and waters presented on February 12, 1959, be now concurred in.

Mr. Speaker: Has the hon. member unanimous consent to proceed with this motion?

Mr. Caron: For the same reason, Mr. Speaker, I oppose it.

ESTIMATES—FIRST AND SECOND REPORTS OF STANDING COMMITTEE—CONCURRENCE IN SECOND REPORT

Mr. A. R. Smith (Calgary South): Mr. Speaker, by unanimous consent I move:

That the first and second reports of the standing committee on estimates presented on February 12, 1959, be now concurred in.

Mr. Speaker: Has the hon. member unanimous consent to proceed with this motion?

Mr. Caron: I am opposed to it, Mr. Speaker, for the same reason.

Mr. Smith (Calgary South): Mr. Speaker, by unanimous consent I move:

That the second report of the estimates committee presented on February 12, 1959, be now concurred in.

An hon. Member: You did that the first time.

Mr. Smith (Calgary South): I might point out that this is the report which contains a recommendation to refer the estimates of a department to this committee.

Mr. Speaker: Has the hon. member unanimous consent to move concurrence in the second report?

Some hon. Members: Agreed.

Mr. Caron: The second report, yes.

Motion agreed to.

MISCELLANEOUS PRIVATE BILLS—MOTION FOR CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. R. J. McCleave (Halifax): Mr. Speaker, by unanimous consent I move:

That the first report of the standing committee on miscellaneous private bills presented on February 12, 1959, be now concurred in.

Mr. Speaker: Is the answer the same?

Mr. Caron: The answer is the same.

AGRICULTURE—MOTION FOR CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Hayden Stanton (Leeds): Mr. Speaker, by unanimous consent I move:

That the first report of the standing committee on agriculture presented this day be now concurred in.

Mr. Speaker: Has the hon. member unanimous consent?

Mr. Caron: No, Mr. Speaker.

NATIONAL REVENUE

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

Hon. Howard C. Green (Minister of Public Works): Mr. Speaker, by unanimous consent I move:

That items numbered 254 to 260 inclusive, as listed in the main estimates of 1959-60, relating to the Department of National Revenue, be withdrawn from the committee of supply and be referred to the standing committee on estimates, saving always the powers of the committee of supply in relation to the voting of the public moneys.

Mr. Chevrier: Mr. Speaker,—

Mr. Speaker: Order. May I remind the hon. member for Laurier—if he wishes to speak on this motion—that it is not a debatable motion and that it must be accepted or rejected without discussion.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I wanted to say that the house leader, in giving the business of the house on Tuesday, indicated that he was going to move the next day—and at my request held up his motion—that the estimates of two other departments be referred to certain committees. This is a department of which no notice was given. I should like to have permission—

Some hon. Members: Oh, oh.

Mr. Chevrier: I am not protesting this particular part but what I should like, with the unanimous consent of the house, is permission to be allowed to express an opinion with reference to what is being done as compared with what was done in the last session. I will not pursue the matter any further unless I have permission to do so.

Mr. Green: Go ahead.

Mr. Chevrier: I thank the house leader for his courtesy.

Mr. Speaker: Has the hon. member unanimous consent to do what he has requested permission of the house to do?

Some hon. Members: Agreed.

Mr. Chevrier: What I should like to bring to the attention of the house leader and the government is this. It was my experience during the sittings of committees last year that this practice has not worked out satisfactorily. I had hoped that the government would not see fit to refer these estimates of various departments to separate committees, save and except, to the committee on estimates which was established for that purpose; the reason being that my experience in the committee on railways, canals and telegraph lines dealing with the Department of Transport estimates was such that I thought—and I am sure it was the thought of most of the members who were there—that it was a complete waste of time to have the departmental officials go before the committee, particularly in a department like the Department of Transport which is so huge and takes in so many branches of transportation and communications, and for the committee to take up the time of those officials with a repetition of matters that would unquestionably come up for discussion again in the house on the estimates in general.

It had seemed to us that perhaps that practice could have been stopped this year. I am happy to say that one thing the government has decided to do is discontinue the practice of study groups; because that, as the house saw last year, was a complete loss of time. While it might have been of assistance to certain members on the other side of the house, there are ways and means of assisting new members, and it seemed to me that that should not be done at the expense of those of us who are so few in number on this side.

There was one other point, if I may be permitted to make it, and I shall do my best not to trespass on the time of the house. These committees will be sitting in the morning, and as the house leader knows there are 17 standing committees to which will be added the special committees, so I think they may run to as many as 20 or more. Those committees may sit during the morning; and if the estimates are sent to these various committees then it becomes impossible to carry on the work of the house. It becomes impossible to carry on the work which has to be done in each office and to prepare for the work of the house during the course of the afternoon or the morning, according to the time the house sits.

Therefore I appeal to the house leader and to the government and ask them if it would not be much better to allow these estimates to go to the estimates committee rather than send them to the separate committees requiring the attendance of members of the house. I ask that with all respect, because it seems to me to be a duplication of our work. I realize that the government has its difficulties, and we had the same difficulties when we were on that side of the house, with reference to the large number of new members and so forth; but as I said earlier, there are ways and means of dealing with that situation.

The Prime Minister, in speaking to one of these motions last year, indicated the manner in which that could be done. He also indicated that perhaps some assistance could be given, but there was no sequel to that indication. The Prime Minister further indicated that he hoped that one of these committees would deal with certain matters in the same way the war expenditures committee had dealt with them when he and I had the privilege of sitting on such a committee at one time.

I do not want to get into an argument, because I have received unanimous consent to speak, but unfortunately that committee did not operate in the method and in the manner expected by the Prime Minister. The Prime Minister says now, "Well, if there is any difficulty, come to me and I will see that it is straightened out." It seems to me that while that is a nice gesture on the part of the Prime Minister, that is not the way in which the business of the house should be conducted; and I appeal, with deference, to the house leader and the government that these estimates in particular should not go to separate committees so the whole business will have to be repeated when the estimates are before the house.

Mr. Green: Perhaps, Mr. Speaker, I may be permitted to say a few words.

Mr. Speaker: Has the minister unanimous consent to reply?

Some hon. Members: Agreed.

Mr. Green: The estimates which are dealt with in the motion now before this house are to be referred to the standing committee on estimates. The hon. member for Laurier will realize that just a few moments earlier the house concurred in the second report of the standing committee on estimates, which was a recommendation that the estimates of the Department of National Revenue be sent to them. This committee, of course, can only function if the estimates are so referred.

It would be quite impossible for that committee to deal with all estimates. We shall try to keep it busy by sending as many different departmental estimates as possible to it for consideration. But there are other committees; for example the committee on external affairs and the committee on veterans affairs. In the case of the former it has always been the practice to refer the estimates of the department to that committee.

Mr. Chevrier: Mr. Speaker, may I interrupt the house leader to say that with respect to those two departments, there is no doubt but that they should be sent to their respective committees. I was dealing with the others.

Mr. Green: The practice has been to have a debate on external affairs on a motion to refer the estimates of that department to the standing committee on external affairs, and I think this has worked out very well. The standing committee on veterans affairs was set up for the first time last session and we propose to follow a similar practice with that committee, and I believe this has the approval of all parties in the house. I am proposing to move that the estimates of the Department of Veterans Affairs be so referred once this present motion is out of the way. I am also proposing to move that the estimates of the Department of Mines and Technical Surveys be referred to the committee on mines, forests and waters.

Mr. Chevrier: When?

Mr. Green: This morning, as I told the hon. member for Laurier last week. In this case there are various problems which can best be considered by that committee. The same is true of the estimates of the Department of Northern Affairs and National Resources, and I think a similar practice is wise in the case of the estimates of the Department of Fisheries.

In view of the representations made by the hon. member for Laurier concerning the estimates of the Department of Transport, we do not propose to move that those estimates be referred to the standing committee on railways, canals and telegraph lines. Our main purpose in adopting this system last year was to try to work out a more efficient method of dealing with the estimates. Mind you, we were also attracted to this course by the desire to allow new members of the house to obtain quickly an understanding of the way business is done; and I think, by and large, the work done by the various committees which dealt with estimates last year was good.

We are not trying to deceive the opposition parties in taking this position. We are simply trying to work out a more efficient way of handling the business of the house, and in this connection we have had very good co-operation from the hon. member for Laurier and the hon. member for Assiniboia (Mr. Argue). But today, as I say, I propose to refer these estimates of the Department of National Revenue and the estimates of the Department of Veterans Affairs and the estimates of the Department of Mines and Technical Surveys to the respective committees.

Motion agreed to.

VETERANS AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

Hon. Howard C. Green (Minister of Public Works): With the unanimous consent of the house, Mr. Speaker, I move:

That items numbered 448 to 473 inclusive, and items Nos. 487 and 488, as listed in the main estimates for 1959-60, relating to the Department of Veterans Affairs, be withdrawn from the committee of supply and be referred to the standing committee on veterans affairs, saving always the powers of the committee of supply in relation to the voting of public moneys.

Mr. Speaker: May I say that this motion is properly made under rule 57 without unanimous consent.

Motion agreed to.

MINES AND TECHNICAL SURVEYS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

Hon. Howard C. Green (Minister of Public Works) moved:

That items numbered 186 to 213 inclusive, as listed in the main estimates for 1959-60, relating to the Department of Mines and Technical Surveys, be withdrawn from the committee of supply and be referred to the standing committee on mines, forests and waters, saving always the powers of the committee of supply in relation to the voting of public moneys.

Mr. Speaker: Shall I dispense?

Hon. Lionel Chevrier (Laurier): Mr. Speaker, this is the motion to which I was addressing my objections earlier. I presume the house leader will be making similar motions from time to time to send other estimates to various committees. It was to this motion and not to the first two that I was addressing my objections, and again I appeal to him to give consideration to proceeding in this fashion.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: On division.

Motion agreed to on division.

OIL

ARCTIC ISLANDS AND UNDERWATER LANDS—STATEMENT ON DEVELOPMENT ACTIVITIES

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, in view of the intense interest by news sources in the last few days in the search for oil in the Arctic islands, I thought I owed it to the house to make a statement as to what is actually transpiring.

Since the middle of January, 1959 there have been 10 oil companies and individuals who have made application for oil and gas lands in the northern islands of Canada and on lands underlying the coastal waters bordering Canada. I should like to emphasize to the house that this is in addition to the 76 million acres now under permit in the mainland of the Northwest Territories and the Yukon.

In the Arctic islands the oil and gas regulations are being revised, and until such time as the revision is complete no permits are being issued. However, applications are being received and filed on a priority of application basis so that when the revised regulations come into effect, those who have made application, upon payment of the required deposits and fees, will be issued permits to explore for oil and gas in accordance with the priority list.

Inquiries of the Ministry

Up to 11 a.m. this morning approximately 50 million acres had been applied for in the Arctic archipelago covering geological structures and gypsum domes, extending from Banks island on the southwest and easterly to the northerly portion of Baffin island, north to the north-central part of Ellesmere island and southwesterly through the Sverdrup islands to Banks island. The geological survey of Canada have completed a study of this area, and are presently preparing a full report on the Queen Elizabeth islands. It is expected that the westerly portion will be available for distribution by March 1, 1959.

I have here a list of the companies and the acreage taken out, but I shall reserve that for a later announcement, probably in committee.

Along the west coast of Canada, Richfield Corporation have applied for acreage underlying the waters in the vicinity of Graham island in British Columbia, and Canadian Homestead Oils Limited have applied for acreage under the Fraser river delta. There is approximately 500,000 acres in the two areas applied for by these companies. Underlying the waters of Hudson bay and James bay, along the southwesterly coast, one company has asked for an oil concession of approximately 25 million acres. However, until the regulations for the disposal of mineral rights underlying the waters of Canada are promulgated, no permits can be issued.

HOUSE OF COMMONS

PRESENTATION OF GIFT FROM GOVERNMENT OF URUGUAY

Mr. Speaker: May I inform the house that immediately after the mid-day adjournment at one o'clock there will be a presentation ceremony in the hall of honour immediately in front of the entrance to the parliamentary library at which the charge d'affaires of Uruguay, Mr. Ernesto Benavides, will present to the parliament of Canada, represented by the Speaker of the senate and myself, a special edition of the complete works of the great Uruguayan humanist and philosopher, Carlos Vaz Ferreira. The chamber of deputies of Uruguay have offered this gift to our parliament and to other parliaments in the western hemisphere as a gesture of friendship and good will, and I hope many hon. members will be able to attend the brief ceremony at 1 p.m.

CANADIAN PACIFIC RAILWAY

BRITISH COLUMBIA FERRY SERVICE—REQUEST FOR MEETING OF GOVERNMENTS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he would arrange a meeting between representatives of the federal government, the government of British Columbia and the municipalities most concerned, first in an effort to prevent the interruption of sea communication between Victoria and Vancouver and, second, to set up a joint committee of experts of the federal and provincial governments to make a survey and report on the whole transportation system between Vancouver island and the mainland.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. gentleman did not give any notice of this question; therefore I can do no more than say this. While I fully realize the desirability of assuring to the people of Vancouver island adequate transportation facilities, I do not at the moment know of any responsibility that rests upon the federal government in connection with this matter. Naturally we are concerned over this question, and we realize the difficulties attendant upon the projected action to be taken by the C.P.R. While saying that we realize that the consensus is that the problem is not within the field of jurisdiction of the dominion government or the dominion parliament. Nevertheless we are reviewing the situation to ascertain the facts.

Hon. Paul Martin (Essex East): Mr. Speaker, I wish to direct a question to the Minister of Justice. In view of the reply just given by the Prime Minister to the Leader of the Opposition I should like to know if the attention of the Minister of Justice has been directed to the statement of Attorney General Bonner of British Columbia, when he advised the legislature there that the province did not have any jurisdiction in the matter. I should like to know if in view of this statement the Minister of Justice has inquired of the law officers of the crown as to whether or not the federal government has constitutional authority and responsibility in this matter.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I expect to meet with the attorney general of British Columbia this afternoon, and the whole matter to which the hon. member refers is under consideration and will be discussed at that time.

FINANCE

BANK OF CANADA—REPORTED INCREASE IN REDISCOUNT RATE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Finance. In view of the minister's

well-known position on former occasions with respect to the undesirability of high Bank of Canada rediscount rates, would the minister care to comment on yesterday's announced increase in the Bank of Canada rediscount rate to 3.81 per cent, and would he say whether in his opinion this very high rate has an adverse effect on recovery from the present recession?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I think hon. members must be aware that this rate fluctuates from week to week in connection with the weekly offerings. In some recent weeks it has been down and in some it has been up. It has been a matter of fluctuation within a not very wide range. The hon. member should not attempt to read too great significance into these fluctuations from week to week.

Mr. Argue: Mr. Speaker, I am wondering if the government's policy is in conformity with this very high rediscount rate and what the minister used to call tight money?

Mr. Fleming (Eglinton): Mr. Speaker, the tight money policy that my hon. friend speaks of and which we who now sit to the right of Mr. Speaker denounced when we were in opposition was a policy imposed from above that denied opportunity to people to obtain loans simply by reason of the policy imposed, and that had the effect as we quite properly said of strangling development. One of the results of that policy was high interest rates at that time, but no one can accuse the present government of doing anything to create an increase in the interest rates.

Mr. Habel: What about conversion loans?

Mr. Fleming (Eglinton): They held them down.

Mr. Speaker: Order. The house will appreciate that this is a question of policy.

BUSINESS OF THE HOUSE

OBSCENE LITERATURE—SLAUGHTER OF ANIMALS —INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. W. L. Houck (Niagara Falls): Mr. Speaker, may I ask the Minister of Justice a question. Because of public interest, would the minister be kind enough to tell the house whether legislation pertaining to obscene literature and the humane slaughtering of animals will be coming down shortly in this house?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the hon. gentleman was kind enough to speak to me earlier about this matter. The speech from the throne forecasts that at this session there will be legislation to amend the Criminal Code and it is still the intention of the government, as indicated there, to submit a proposal with regard to obscene literature.

The speech from the throne also states that the question of the humane slaughtering of animals will be referred to one of the committees of the house, and I can tell the hon. gentleman that arrangements are being made now to refer that matter to the appropriate standing committee.

CANADIAN BROADCASTING CORPORATION

MONTREAL—INQUIRY AS TO PRESENT STRIKE POSITION

On the orders of the day:

Mr. Guy Rouleau (Dollard): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. Has the minister any progress report to make on the negotiations between the C.B.C. representatives and the producers of the Montreal French network? If not, can the minister inform the house whether his new parliamentary assistant, the hon. member for St. Lawrence-St. George (Mr. Chambers), is expecting an agreement in the near future?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, as far as I know the hon. member for St. Lawrence-St. George is not the parliamentary assistant of any minister, but I will say that the hon. member for St. Lawrence-St. George did more to achieve a settlement of this strike than any other hon. member in this House of Commons, and deserves the compliments of all.

I think the house has been brought up to date as to what transpired during my enforced absence. Negotiations were carried on last week between the producers and the corporation with the hon. member for St. Lawrence-St. George present for part of the time. As a result of the prolonged discussions running over the whole week, and sometimes for many hours each day, an agreement, as I am told, was reached with respect to practically every issue outstanding between the producers and the corporation.

One matter which was in abeyance was as to when they would go back to work. Having reached an agreement, or virtually an agreement, on all those matters, with perhaps a little difference as to the wording here and there, when they came to paragraph 1 that could not be initialled because the producers said they would not be able to go back to work until arrangements were made for settlement of the matter as to what treat-

ment the other union members would receive who had honoured the picket lines or had absented themselves from work; and that issue, as I understand it, is still outstanding between the corporation and whether it is the producers or the other unions I am not in a position to say; I think it was the other unions rather than the producers. The producers are sort of caught. One can appreciate their sense of loyalty to the friends who stood by them, but they are caught between the two. The other unions say, "Don't go back to work until we are looked after", and there the situation remains at the moment. I am told that all those other employees other than the producers, are members of unions which have contracts with the corporation, and that included in those contracts is a grievance procedure whereby this or any other grievance can be settled in the ordinary way.

The corporation has suggested to the other unions involved that the picket lines be withdrawn and the producers go back to work and these grievances, if they see fit, together with any others which they wish to raise, should be dealt with in the usual manner of grievance procedure which is set out in the contracts existing at the present time between the corporation and the unions. The unions have not wanted to adopt that procedure and have come up with alternative suggestions. I understand that last night another suggestion was made on behalf of those other unions to the corporation, and that the corporation either now or later on this week will be giving it consideration and will probably be asking the executive committee of the board to consider it.

(Translation):

POST OFFICE DEPARTMENT

SPECIAL STAMPS TO COMMEMORATE OPENING OF ST. LAWRENCE SEAWAY

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to address a question to the Postmaster General. Does the minister intend to issue a postage stamp on the occasion of the inauguration of the St. Lawrence seaway at Montreal? If so, what will be its design?

Mr. Rouleau: Mr. Minister, I should like to second that question.

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, the answer is yes, there will be such a stamp. As was announced a few months ago, Canada and the United States will jointly issue a commemorative postage stamp of the same design to mark the opening of this great undertaking. I am not as yet in a position to give all particulars of the design, as the United States and Canada will be making a joint announcement later on. However, I can say that the stamp will carry both the maple leaf and the American eagle.

[Later:]

Mr. Guy Rouleau (Dollard): Mr. Speaker, I wish to complete the question directed to the Postmaster General by the hon. member for Joliette-L'Assomption-Montcalm. The minister said earlier that a commemorative postage stamp is to be issued at the inauguration of the St. Lawrence seaway. Could he tell us whether the minister has considered issuing this stamp with the effigy of the hon. member for Laurier as mainly responsible for the construction of the St. Lawrence seaway?

Mr. Pigeon: Ridiculous!

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, we do not issue stamps bearing the effigy of living persons, and I find that the hon. member for Laurier is very much alive.

(Text):

ATOMIC ENERGY

STRONTIUM 90—EFFECTS OF RADIOACTIVE FALL-OUT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker as further evidence of the interest of this group in the health and welfare of Canadians I wish to address a question to the Minister of National Health and Welfare. Pardon me, Mr. Speaker; before doing so I do wish to say how pleased this group is to see the Minister of National Revenue back in the house and somewhat recovered. We missed him very much.

My question to the Minister of National Health and Welfare is this. Has the minister's attention been drawn to a press report of February 13 in which Professors Kelly and Hogg of the University of Manitoba are quoted as saying they are giving their children powdered milk from Ontario, where the strontium 90 fall-out count is lower than in Manitoba, and that Professors Kelly, Hogg and Kettner say many scientists do not agree on what is the maximum permissible concentration of the radioactive material and that biological damage to humans is proportionate to the size of the dose? In view of the minister's statement in the house yesterday to the effect that the levels that have been measured in Winnipeg are not out of line with those which have been observed at other stations in the country, would the

minister care to comment further on this important question which involves the health of all Canadians?

Some hon Members: Order.

Mr. Herridge: I had to make it clear, Mr. Speaker.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I received notice just as I came into the house that the hon. member intended to ask this question today. As a matter of fact, since I have come into the house I have read the article to which he refers, but I would prefer to take this question as notice.

TRADE

LEAD AND ZINC—CANADA'S ATTITUDE TOWARD SUGGESTED WORLD CONFERENCE

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. I regret that I have not had the opportunity of giving him notice. The question is based on a press dispatch in the Vancouver *Sun* of January 29, 1959 to the effect that Canada is blocking a world conference on lead and zinc. Will the minister advise the house as to what stand Canada is taking on such a conference, and whether such a conference or meeting will be convened within a reasonable time?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I have just been reading the article which the hon. member passed over to me a few minutes ago. It is a report originating in New York and republished in the Vancouver *Sun*. The substance of it is in the second paragraph and reads as follows:

> And in Washington, scepticism greeted a report that undersecretary of state Douglas Dillon had found Canadian opposition to the proposed conference weakening during his visit to Ottawa early this month.

The subject of lead and zinc was under discussion at the meeting of the joint United States-Canadian committee on trade and economic affairs on the 5th and 6th of January, 1959, and in the communique issued on January 6, which expressed our view on this matter, these words are found:

> The Canadian ministers expressed their continuing concern over the quota restrictions imposed by the United States last September on imports of lead and zinc and outlined the effects they are having on the Canadian mining industry. The United States representatives hoped these restrictions could be withdrawn as soon as more satisfactory international solutions on a broader basis are found. In the meantime, it was agreed that both governments would explore further the possibility of developing such equitable solutions.

Our stand remains the same with regard to this matter, Mr. Speaker.

Mr. McIlraith: May I ask a supplementary question. My question was directed to a world conference. Can the minister tell us whether or not Canada has taken any part or is taking any part in arrangements for a world conference to deal with this subject?

Mr. Churchill: The suggestion of a world conference is contained in this statement where it uses the words, "more satisfactory international solutions on a broader basis are found." The intention there was to join in a conference with all the producers of lead and zinc, and we expressed our agreement with that proposal.

Hon. L. B. Pearson (Leader of the Opposition): Is the minister not aware that the Hays-Coffin report which was printed a few weeks ago also states that the Canadian government has been opposed to an international conference respecting these materials?

Mr. Churchill: Mr. Speaker, we have expressed our point of view to the Americans with regard to this matter. We expressed the hope that these restrictions on lead and zinc entering the United States could be removed without going into further consultation in a broader field, but the Americans suggested that they would like to do it in this other way. Our position has been made very clear to them.

TRANSPORT

CONCEPTION BAY, NFLD.—STATEMENT ON REQUEST FOR ICEBREAKERS

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, in reply to the question asked yesterday by the hon. member for St. John's East concerning the Portugal Cove-Bell Island ferry service, which is disrupted at the present time due to ice conditions, I wish to advise that the departmental icebreaker *Cornwallis* has been dispatched to the area. It is expected that it will arrive early tomorrow morning, and that the service will be resumed shortly.

COMMONWEALTH RELATIONS

INDIA—INQUIRY AS TO AID FROM CANADA

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Secretary of State for External Affairs. Has the minister's attention been drawn to recent newspaper

stories to the effect that India plans to seek $700 million in aid from her five chief creditor countries and the world bank to fill the foreign exchange gap in her five year development plan? Has India asked Canada for a loan? If so, what action has been taken?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, I have seen the article in question and I do know that India is seeking further assistance under its five year plan. I can state that representatives of the Department of Finance will attend a meeting in Washington in the near future.

DRUGS

INQUIRY AS TO DISPOSITION AND TREATMENT OF ADDICTS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of Justice. Has the minister noted the report in yesterday's Toronto *Star* stating that Judge Samuel Factor has said that drug addiction should be treated as a disease but that his hands are tied by the Opium and Narcotic Drug Act in the sentencing of addicts, and that he had written several letters to Ottawa urging that hospitals be established but to no avail. Can the minister inform the house what consideration is being given to this most important matter as outlined by Judge Factor, and can he say whether legislation will be introduced at the present session?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I have not seen the article in question, and speaking from recollection I do not think Judge Factor has written to me. He may have written to my colleague the Minister of National Health and Welfare, or his department, under whose jurisdiction the Opium and Narcotic Drug Act comes at the present time. As I informed the house some time ago, studies have been instituted and are now under way between my colleague the Minister of National Health and Welfare and his officials and myself and officials of my department, including officials of the Royal Canadian Mounted Police, with regard to the whole question of narcotics.

While I do not wish to minimize the importance of the problem or the desirability of action, I am not able to say whether it is going to be possible to recommend legislation at this session, because it is an extremely complicated question on which there are wide divergences of very deeply and strongly held opinions.

[Mr. Garland.]

EXTERNAL AFFAIRS

ALASKA—CANADIAN CORRIDOR TO PACIFIC THROUGH PANHANDLE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Secretary of State for External Affairs if he will comment on a statement made by Senator Gruening of Alaska as reported in yesterday's Toronto *Star* to the effect that he would try to speed action giving Canada a corridor through the Alaskan panhandle to the Pacific ocean.

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, all I have to say in this regard is that Mr. Leger, who was then undersecretary of state for external affairs, speaking specifically on behalf of the then secretary of state for external affairs in the external affairs committee on June 21, 1956, reported that following thorough discussion between all interested departments it had been decided that there was no need for Canadian corridors across the panhandle to the sea. I can assure the hon. member that there has been no change since that time in this regard.

AGRICULTURE

EGGS—METHOD OF PACKING FOR EXPORT

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I should like to direct a question to the Minister of Agriculture. Can the minister inform the house whether any regulation had been passed by the federal government requiring grade A large eggs for export to be packed in cardboard, thereby eliminating wooden crates for that purpose?

Hon. D. S. Harkness (Minister of Agriculture): In some areas we lay down that eggs must be packed in cardboard cartons for export to certain destinations because that is the only way in which those destinations will accept the eggs.

Mr. Robichaud: Does this apply to all provinces?

Mr. Harkness: No, Mr. Speaker; it is not a matter of provinces at all. It is a question of where we happen to have eggs which are in surplus supply and can be moved most expeditiously and cheaply to these markets.

Mr. G. J. McIlraith (Ottawa West): Can the minister advise us if eggs are being sold to other countries at a price below that being paid for them?

Mr. Harkness: In some cases, yes, at certain periods of the year.

Mr. Speaker: I see that the hon. member for Port Arthur is on his feet. If no other hon. members desire to ask questions perhaps the house would deal with his question now so we can get into committee of supply. If there are other questions I will call it one o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

SHIPPING

GREAT LAKES—GOVERNMENT ACTION TO PROTECT CANADIAN INTERESTS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): It is a pleasure to ask a question in this quiet atmosphere, and I direct it to the Minister of Trade and Commerce. Has his department given any consideration to action which would protect trading and shipping interests of Canadians in view of the United States decision, announced two days ago, to subsidize Grace Lines on operations into the great lakes, which operations specifically include the requirement that ships call at Canadian lake ports?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the hon. member gave me rather short notice of this question. I have some familiarity with the problem he raises, but I should like a little more information and I would prefer perhaps to discuss this with him later on or give him a more complete answer on a future occasion.

Mr. Fisher: May I ask a supplementary question. Since the minister is, in effect, going to take this question as notice, will he inform me later whether the government has received any request from Canadian shipping interests or other bodies interested in shipping, such as the seamen's international union, for direct subsidies to enable Canadian ships to compete on a fair basis with such subsidized United States ships in the great lakes?

Mr. Churchill: I shall take both questions as notice.

LABOUR CONDITIONS

NEWFOUNDLAND—REQUEST FOR INTERVENTION IN STRIKE OF WOOD WORKERS

On the orders of the day:

Mr. Arnold Peters (Timiskaming): I should like to ask the Minister of Labour the following question. In view of the inflammatory statements made by Premier Smallwood, namely his reference to the I.W.A. strike as a civil war and his threat to drive the I.W.A. out of Newfoundland, as reported in the *Globe and Mail* of today, will the Minister of Labour offer his services to bring the parties together to restore normal industrial relations, thus preventing any further deterioration subsequent upon the unfortunate statement of Premier Smallwood?

Mr. Speaker: Order. I question the propriety of raising in the house a question of this kind, which relates to the conduct of the premier of a province, which is certainly not a matter under the jurisdiction or responsibility of any of the ministers who might be asked it.

Mr. Peters: My reason for asking the question is that normal industrial relations procedures have broken down. Will the minister, therefore, allow his department to intervene to re-establish these normal industrial relations, in view of the fact that there has been a board established under provincial government sponsorship and there has been certification, and in view of the statement—

Some hon. Members: Order.

Mr. Peters: —which would tend to eliminate normal industrial relations procedures.

Mr. Speaker: While I have no objection to the hon. member asking whether or not the minister would allow the federal machinery to operate, if it is applicable, it seems to me to be rather a pointless question. Does the minister wish to answer the question?

Hon. Michael Starr (Minister of Labour): All I can say is that this matter comes entirely under the jurisdiction of the province of Newfoundland. There is no way in which I could intervene.

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of National Revenue. Since I understand C.B.C. radio facilities were made available to Premier Smallwood for his attack on the union, will the minister say whether—

Some hon. Members: Order.

Mr. Argue: —the same C.B.C. facilities are available to the union for reply?

Hon. George C. Nowlan (Minister of National Revenue): I have no knowledge of this matter whatever. Programming comes solely within the jurisdiction of the C.B.C. I am quite confident, from my experience with that organization, that any facilities which have been supplied to one would be offered to the other. There can be no question on that score whatever.

Inquiries of the Ministry

HEALTH AND WELFARE

USE OF SYNTHETIC HORMONES IN STOCK FEEDS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct another question to the Minister of National Health and Welfare, which will be quite brief. In view of there being a danger to the health of human beings, according to many medical authorities, is the use of synthetic hormones in poultry and stock feeds prohibited by law in Canada? If so, what procedures are used by the minister's department to assure compliance with the law?

Hon. J. W. Monteith (Minister of National Health and Welfare): My reply, I hope, will be comparatively brief as well. Commercial products of the type referred to that are now allowed sale in Canada have been thoroughly investigated and offer no danger to the health of the public because no residue of hormones remains in the meat when consumed.

There is a specific prohibition in the regulations under the Food and Drugs Act against the sale of poultry for use as food if it contains any residue of hormones added to the feeds, and the sale of any food containing harmful and poisonous substances is prohibited by the Food and Drugs Act.

Mr. Herridge: I should like to ask a supplementary question on this matter because of its interest to a number of people. A considerable quantity of these items is used in the United States quite lawfully, to a much greater extent than in Canada. What is done to make certain that this imported poultry complies with our law?

Mr. Monteith (Perth): I might say that samples are taken from both the domestic market and from import shipments from time to time or when there is any particular reason to suspect the presence of added hormones. The samples are then tested in the food and drug laboratories. If hormones are found the food is removed from the market.

GRAIN

USE OF EASTERN ELEVATORS FOR U.S. STORAGE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. Has the minister received the report of the eight-man study group sponsored by the Canadian wheat board and the Winnipeg grain exchange, dealing with policies regarding the storage of United States grain in eastern Canadian elevators? If so, has the minister considered the statement of the committee that United States grain should be prohibited from eastern elevators for the period from November 15 to the end of March? Will the minister say what action is being taken?

Hon. Gordon Churchill (Minister of Trade and Commerce): I have received a copy of the extremely interesting and useful report of the St. Lawrence seaway joint study committee sponsored by the Canadian wheat board and the grain shippers and exporters association of the Winnipeg grain exchange. The entire question of the handling of U.S. grain through eastern terminal facilities is under study, and in this connection the reference by the committee to the prohibition of the storage of U.S. grain during the period beginning November 15 and ending in March of the following year has been noted and will receive due consideration.

ADMINISTRATION OF JUSTICE

NEWFOUNDLAND—USE OF R.C.M.P. IN LABOUR DISPUTE

On the orders of the day:

Mr. M. W. Martin (Timmins): Will the Minister of Justice give any assurance that the Royal Canadian Mounted Police in Newfoundland will continue to be used for the maintenance of law and order and not as government troops in the civil war announced by the premier of Newfoundland?

Hon. E. D. Fulton (Minister of Justice): I do not know to what the hon. member's question refers, but I can assure him I do not require any such assurance as that which he contemplates because the Royal Canadian Mounted Police would not, in any circumstances, be used in the capacity he has indicated.

Mr. Arnold Peters (Timiskaming): May I inquire from the Minister of Justice if any additional R.C.M.P. are being flown into Newfoundland at the present time?

Mr. Fulton: I have received no word of any such movement, Mr. Speaker.

SUPPLY

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

DEPARTMENT OF FISHERIES

Fish culture and development branch—

704. Construction or acquisition of buildings, works, land and equipment—further amount required, $55,000.

Mr. Pickersgill: Will the minister say a word about what is involved here?

Mr. Fleming (Eglinton): Mr. Chairman, the Department of Fisheries proposes to construct a spawning channel in Robertson creek

in the great central lake area of British Columbia. This project will help to replace spawning areas lost due to dam construction, and will afford an opportunity of investigating a means of supplementing natural spawning beds. The total estimated cost of the project is $115,000, and the department expects to be able to proceed with the project this winter as part of the government's winter employment program. It is estimated that $55,000 will be spent before the end of the fiscal year if it is now approved.

Mr. Regier: I wonder if the minister is in a position to inform the house who was responsible for the building of the dam that ruined these spawning grounds.

Mr. MacLean (Queens): I do not admit the premise to which the hon. member refers. However, two dams have been built by the firm of MacMillan and Bloedel in Great Central lake, one of which is at the top of Robertson creek where the water flows out of Great Central lake. There the company put in the required fishways and facilities at their own expense. With regard to this and other dams, damage to the fish runs on this stream has been held to a minimum. There are still small runs of both spring and cohoe salmon in this stream. In the area, years ago, there were also runs of pink salmon. Owing to the fact that this stream is now controlled by the dam, there is created a situation which is favourable to the building of an artificial spawning ground and to increasing the natural spawning ground that exists there. The scientists of my department are optimistic that at relatively small expense a large increase can be made in the run of both spring and cohoe salmon and that a sizeable run of pink salmon can be established in this stream. These artificial spawning beds will also give scientists an opportunity to make certain studies which otherwise would be impossible except under more difficult conditions. The lumber companies have co-operated fully in the building of fishways in the dam.

Item agreed to.

DEPARTMENT OF JUSTICE

705. Departmental administration—further amount required, $15,200.

Mr. Howard: As I understand it, this item relates to the committee which will be studying the things to be done to institute a parole commission. I wonder whether the minister could give us some indication of what work has been done, what this item relates to, and so on.

Mr. Fulton: This item 705 relates to departmental administration. The special supplementary estimate is designed to provide for operating expenses during the balance of this fiscal year of the parole board. The board was provided for in the national Parole Act which was passed at the last session of parliament and, as hon. members know, the board, consisting of four members, has now been appointed. It is expected that the Parole Act will be brought into force on February 15, just two days from now. At that time, of course, it will also be necessary to transfer to the administration—

Mr. Martin (Essex East): Are we not on item 705? Is the minister not dealing with item 706? We have not passed item 705 yet.

Mr. Fulton: I had better ask the hon. gentleman if he would repeat his question. Perhaps I did not understand the import of it.

Mr. Howard: Mr. Chairman, as I look in the details, I find that two items are given. The first one is the one with which we are dealing in connection with the correctional planning committee. However, I believe my question would more properly have fitted in under the administration of the new Parole Act or the operation of it. I think probably what I did was to ask my question under the wrong vote.

Mr. Fleming (Eglinton): Will my hon. friend put his question on the next item, namely item 706?

Mr. Howard: Yes.

The Chairman: Shall item 705 carry?

Mr. Pearson: No, Mr. Chairman. Item 705, which concerns departmental administration, gives me the opportunity to bring up for the consideration of the minister a matter on which he made a statement in the House of Commons on January 29, namely the possible effect of the operation of certain United States anti-trust legislation on legitimate Canadian business activities. I should like to take advantage of this opportunity to say a few words on this question which is of both legal and political importance. The minister himself in New York a few weeks ago made a strong statement with regard to United States policy and United States attitudes on this matter.

Mr. Fulton: Mr. Chairman, I rise on a point of order. I do not wish to minimize for a moment the importance of the topic the Leader of the Opposition wishes to discuss. However, I point out that the item relates to departmental administration; and if you will look at the details at page 6, you will see that it relates to the expenses of the correctional planning committee.

This is a supplementary estimate brought in for the specific purpose of enabling the department to meet the expenses of this committee which was appointed to advise as to the implementation of the Fauteux report in certain aspects. It is therefore, I submit, not a general item under departmental administration of such a nature as to make it possible for the general discussion of all matters coming within the administration of my department. The main estimates for the ensuing fiscal year will, of course, contain an administration item under which all aspects of my department can be debated, including the one which the Leader of the Opposition now wants to raise. However, on supplementary estimates, where items are brought forward for a specific purpose and not merely to expand the general vote under departmental administration, it has always been the practice of this house that the discussion of these items should relate to the specific purpose for which they are brought forward.

Mr. Pearson: On the point of order, Mr. Chairman, may I say this. Surely it has been the practice of this house in discussions of the main estimates, the supplementary estimates and the final supplementary estimates, to permit on an item entitled "departmental administration", a wide-ranging discussion on the work of the department concerned.

Mr. Fleming (Eglinton): Not on supplementary estimates.

Mr. Pearson: That is a submission I am making to the chairman. This is a supplementary estimate but it is a supplementary estimate under the title "departmental administration". I would recall my statement in the house the other day when the minister made quite a long statement on the matter to which I referred. I said the other day that I would have an opportunity, I thought, to deal with this matter when the supplementary estimates were up for discussion. I would have thought, Mr. Chairman, that I was perfectly in order in dealing with this matter on an item under "departmental administration".

Mr. Fleming (Eglinton): May I add a word on this subject, Mr. Chairman. The Leader of the Opposition has made the statement that it has been the practice of the house to have a wide-ranging discussion of departmental affairs on an item pertaining to any particular department both on the main estimates and on the supplementary estimates. May I say, Mr. Chairman, that has been the practice with regard to "departmental administration" only on the main estimates. But where supplementary estimates have been introduced late in the fiscal year, as is the present case, the practice of the house has been—and it is completely in accord with the rule in this respect—that the discussion is confined to the item before the house. While the particular item comes under the heading of departmental administration, nevertheless this is an item for a particular purpose, and that particular purpose has been set out in the details on page 6. This relates to the correctional planning committee, which has nothing whatever to do with the matter that the Leader of the Opposition is proposing to discuss. The fact that the Leader of the Opposition mentioned several days ago that he intended to raise this matter on this item does not give it any validity; it does not make it in order. There was no undertaking given to him at that time by the house, or by anybody in it, that that privilege would be extended to him. It was not ruled to be a matter in order.

Mr. Chairman, I therefore ask, as we have been discussing the supplementary estimates a long time, and still have a number of them to deal with, that you rule that the only discussion admissible on this item is discussion pertaining to the expenses of the correctional planning committee, as indicated on page 6 of the details.

Mr. Pickersgill: Mr. Chairman, if I may say a word, as a former member of the treasury board, about the point raised by the minister. The minister is, of course, aware that the treasury is not bound by the details. Once the money is voted for departmental administration it may be used for any aspect of departmental administration, notwithstanding the fact that it is the intention of the government at the time the estimates are submitted to use it—and I am not questioning the intention at the moment—for a particular purpose. I would admit at once that the Minister of Finance would be perfectly right in his contention if this were a specific item having to do only with correctional institutions. But this is an amount voted for the administration of the department, and it is within my recollection, and I am sure it must be within the recollection of the Minister of Finance also, that on many occasions on supplementary estimates, when the department has had to come back to ask for more money for departmental administration, some new question has arisen which did not exist at the time the main estimates were discussed. There has never been any objection taken in the house, in my experience, to a discussion of a matter of that kind, and therefore I submit that the Leader of the Opposition is in order.

The Chairman: We are discussing the item of $15,200 which comes under the supplementary estimates. According to standing

order No. 59 (2) speeches in committee of the whole house must be strictly relevant to the item under consideration. This order will serve as the basis for what I shall now read, which appears in May's 16th edition at page 738 as follows:

> On supplementary and excess grants.—Debate on supplementary and excess grants is restricted to the particulars contained in the estimates on which those grants are sought, and to the application of the items which compose those grants; and the debate cannot touch the policy or the expenditure sanctioned, on other heads, by the estimate on which the original grant was obtained, except so far as such policy or expenditure is brought before the committee by the items contained in the supplementary or excess estimates.

Furthermore, I would like to read an observation made in 1954 by Mr. Abbott, as reported at page 3429 of *Hansard* for March 29:

> I indicated that the main line of inquiry in the consideration of these estimates should be directed to why we require this extra money, because almost any major item involves the whole policy of that particular section, and perhaps we should have half a dozen debates on that during the year. I do not know. But it does not make for very orderly debate.

In conclusion, it is my impression that at the present time we must confine this debate to supplementary estimate No. 705 for a sum of $15,200 without entering into the general aspects of the Department of Justice. I therefore would like to ask hon. members to please confine the debate and their remarks to the assessment under discussion at this time.

Mr. Martin (Essex East): Mr. Chairman, would you hear me on the point which you have so ably dealt with?

The Chairman: Yes, indeed.

Mr. Martin (Essex East): I have just been reading May which Your Honour has also quoted to the committee. Your Honour read the first paragraph which, on first reading, seemed to support the interpretation Your Honour has given to it. However, in small print it goes on to say:

> This practice has been consistently upheld in committee of supply by the chairman, and in answer to a question put to him by the Chancellor of the Exchequer on 3 March 1893, the Speaker ruled as follows . . . Undoubtedly, of late years a certain limitation has been enforced upon the discussion of supplementary estimates. As a general rule, on the supplementary estimates it is in order to discuss only the particular items which constitute the supplementary estimates and the subheads of the original estimates can only be referred to so far as they are involved in the fair discussion of the points contained in the items asked for in the supplementary estimates.

Then it goes on:

> Of course, it is quite obvious that it should be improper, as a general rule, to raise on a supplementary estimate the whole question of policy involved in the original estimate; and, as I have stated, the discussion is properly confined to the items of the supplementary estimate. I think, however, that I ought to state that items of supplementary estimates may raise in themselves questions of policy—

That is the very point that I think is before us now, because the policy of the department is determined by the administrative item. I am sure Your Honour, even in the short experience you have had in this house, has had an opportunity of seeing how the departmental estimates are devised. There is the administrative item and then the various subdivisions which relate to particular items. But the question of policy is one which is determined by the main item, the administrative item, which itself is not divisible, and it could not be argued that what I have read, and what Your Honour has read, except for the last matter, really touches the point at all. Otherwise we should be precluded from dealing with it. As it says here, "items of supplementary estimates may raise in themselves questions of policy." It goes on:

> —but the interpretation whether they do raise questions of policy or not, must clearly be left to the chairman of committees.

We are on the only item that does involve a question of policy, and that is the administrative item itself. This $15,200 which is covered by this item need not be expended for this particular purpose. As the member for Bonavista-Twillingate said, it could be transferred at ministerial discretion for some other purpose under the administrative item. I do not think that by any stretch of the imagination could it be interpreted that our practice here at any time under supplementary or under main estimates has been that when we reach the administrative item any member is precluded from general discussion. What Your Honour has read does clearly apply to every other item of the further supplementary estimate sheet that is before us. There is no administrative item under agriculture or under the C.B.C. When we came to the C.B.C. item which was a grant toward the anticipated deficit of a particular service of the C.B.C. we permitted the widest discussion.

An hon. Member: You were out of order.

Mr. Martin (Essex East): Someone said we were out of order. Having taken that position on that item it would be very difficult for us I submit with great respect to deny an hon. member the opportunity of discussing under departmental administration policies that do come under what we mean by departmental administration in so far as it concerns the Department of Justice. The item for $15,200 is a variable item. It may be used for any particular purpose in the department

including, for instance, whatever expenses were involved in the necessary visit made by the Minister of Justice to Washington, although admittedly these expenses would not have been as high.

It would seem to me that the ruling Your Honour has given in this matter is understandable when one first looks at the language of May. The reason I asked Your Honour to allow me to look at the book which he so generously did was that I felt that it did refer not to departmental items so much as to specific items such as those which have been before us in these other items. For this reason I think Your Honour would want to give careful consideration to a ruling that would have such a restrictive effect.

The Chairman: I have listened with great interest to the remarks made by the hon. member for Essex East and I should like to make a few comments in this regard. It is true that the quotation from May's 16th edition mentions that as a general rule the supplementary estimates do not permit a debate on a variety of subjects. Actually most of the rules of this house are based on precedents which do become more or less the laws which govern this chamber. In the case of supplementary estimates, although possibly it is not clearly defined that debate must be restricted only to the item under discussion and perhaps discussion may take place on a number of other matters relating to the supplementary estimates, hon. members must agree that it is preferable for orderly debate if the discussion be limited to the item under consideration.

For instance, the hon. member for Essex East referred to the wide discussion which took place on the item relating to the C.B.C. True enough, there was a wide debate on this matter which was in fact completely out of order. As everyone knows the debate became somewhat heated at one point and the Chair had to rule out of order all of the debate that was not relevant to the item under discussion. From now on it will be absolutely necessary to rule in the same fashion and that is to limit all debate to the relevancy of the subject.

In this case I have read in my ruling the statement that was made by the deputy chairman in 1954. I shall not read it again but I shall mention to the committee that there are other occasions when the chairman ruled in the same fashion. Hon. members may refer to page 2393 of *Hansard* for March 25, 1955, to pages 2467 and 2503 of *Hansard* for March 21 and 22, 1956, and also to page 2432 of *Hansard* for March 18, 1957. For all these reasons I must adhere to my original ruling that the debate be entirely relevant to the item under discussion.

However, if the Minister of Justice is agreeable to answering some of the questions of the Leader of the Opposition and if it is the pleasure of the committee to permit him to do so, I am quite agreeable to letting the hon. member ask these questions. I must, however, inform hon. gentlemen that if the debate gets out of hand, hon. members will be called back to order.

Mr. Fulton: Mr. Chairman, I think you have pretty well put the Minister of Justice on the spot and the only answer I may make, if I may put it that way, to your suggestion is that as Minister of Justice I should be the last person to suggest a breach of the rules of this committee. I must say that to try to have a debate now on a matter such as that which the Leader of the Opposition seeks to raise on an item of $15,200 relating to the correctional planning committee is in my view, and in accordance with your ruling, so far out of order that I would not take it on myself to ask the other hon. members of the committee to countenance such a wide and sweeping breach of the rules.

Mr. Pearson: Mr. Chairman, of course we accept without reservation your ruling in this matter. Perhaps I go a little too far when I say without reservation, but we do accept it. I know you were inspired by fairness in making it. I could not, however, accept the suggestion which you made in good faith to restrict myself to a few questions directed to the minister because the matter is of such importance that I think it requires more than a few questions. I can only say that I regret I will not have an opportunity at this time to deal to the best of my ability with the long statement the minister made on this important matter the other day in the house under motions which did not provide an opportunity for reply and which contained what I thought were some remarks which should be answered at the earliest possible opportunity.

Mr. Winch: Mr. Chairman, I find myself in the same position as the Leader of the Opposition. I have to forgo certain remarks I was going to make on this subject, too. However, dealing specifically with this item, I shall be absolutely in order, as I always am, in asking the Minister of Justice to give us some information on the operations of the correctional planning committee and the reason for the requirement of additional funds.

I take it that this is the committee which is to function in implementing and studying

the recommendations of various royal commission reports that have had to do with institutions of correction and probation and as to the division of jurisdiction in care as between the provincial and federal governments. I know that for a long time a great many hon. members and many individuals and organizations outside of this chamber have been anxiously awaiting the time when they could learn what action is to be taken on the recommendations made by various commissions or whether the reports of those bodies were just going to gather dust on the bookshelf.

In view of the fact that this committee has been appointed we will all be most anxious to learn just how far the negotiations have gone with the provinces with respect to agreement concerning the bringing in of necessary legislation at the provincial and federal level required for the implementation of these recommendations. We would also be interested in knowing the opinion of the Minister of Justice as to how long it will require before decisions can be reached concerning changes in legislation and the planning of new institutions or the remodelling of existing institutions in order to take care of the overcrowded situation that obtains all across Canada at the present time.

In the same connection, I know that we from British Columbia would appreciate hearing from the minister as to whether this planning committee had anything to do, or has anything to do now with the opening of the new institution, if I can put it in these terms, on Vancouver island where we have what I think is an endeavour to establish something new in this country in the way of an open institution,—I believe that is the proper word—as compared with a completely walled-in and large institution. I should also like to know whether or not consideration is being given by the correctional committee, not to the temporary use of that location on Vancouver island, which has been unused although in federal hands for many years, but to carry on on an extended basis and in line with modern penology throughout the world.

In asking for this $15,200 for departmental administration, and for this purpose I think the minister has opened up a most interesting and informative field, and one which until now both the house and the country has been kept a great deal in the dark about. In asking for this supplementary vote the minister has opened up the opportunity to give us the fullest possible information as to what has been going on and what is going on at the present time in planning for the future.

Mr. Martin (Essex East): I think the minister could give us a statement now about what this particular vote is for so that we can determine whether or not he is any more in order than was the Leader of the Opposition.

Mr. Fulton: Mr. Chairman, I appreciate always the interest taken by all hon. members in this house in the matter of correctional planning, as it has come to be called. This arises largely out of the report of the Fauteux commission and the plans that have to be made and are being made to implement certain of those recommendations. We have had expressions of interest and concern and, indeed, very constructive suggestions in this field, from a large number of members of the house in all parties.

I regret that the hon. member for Vancouver East has said that the house is being kept in the dark. Certainly, as far as I am concerned, I have never failed to answer any questions to the best of my ability. It is true that I did have to say for some months that our plans were entirely in the formative stage and therefore I could not give very many concrete answers. Now, however, the time has arrived when for the first time our plans have advanced to the point where we have this correctional planning committee appointed hard at work and I am able to give the committee a progress report on the work that has been done to get things ready to carry into effect some of the very important recommendations made by the Fauteux commission.

I should say also that at every stage when any step was taken when the house was not in session, that was felt by myself and my colleagues to be important enough to warrant a special statement, we released statements to the press so that as far as possible the country was kept fully informed as to what was being done.

I shall now try as briefly as possible to summarize the present position. The committee will recall that the recommendations of the Fauteux commission in their entirety involved a large measure of agreement between the dominion and the provinces because in order to implement them in so far as they related to matters which were in the provincial field we can only, of course, proceed if we do have the agreement of the provinces.

I found in June, 1957, that no steps had been taken to convene a meeting with provincial authorities to discuss all the ramifications of the implementation of the Fauteux recommendations. We had ourselves as a new government to assess the situation with which we were confronted. We found that

not only were we confronted with the problems arising out of those very important recommendations, with respect to which no consultations had been initiated with the provinces, but we were also confronted with the problems arising from the fact that in the field for which the dominion government is already responsible, let alone any enlarged field for which it might assume responsibility, things had reached almost emergency proportions.

The hon. gentleman who last spoke referred to the fact that we have a situation of overcrowding in our federal penal institutions. That is correct. The situation has reached almost emergency proportions. We were able—and this was an incidental fact—to take care of the overcrowding situation initially by the fact that at about the time we took office, or shortly thereafter, it was arranged that Her Majesty the Queen would visit Canada and the government decided at that time to give an amnesty—

Mr. Winch: Is that why she is coming back?

Mr. Fulton: —to prisoners in penitentiary. These are interesting sidelights that flow from some of these other activities. That relieved the overcrowding situation. That, of course, was not the reason why the amnesty was given but it was one indirect result. But ever since October of 1957, we have been faced with a continuation of the problem in respect of the overcrowding of the penal institutions under the jurisdiction of the federal government, until now it has reached proportions where we have had to take emergency action with respect to the situation in St. Vincent de Paul in Montreal and the British Columbia penitentiary. In both those institutions the overcrowding had reached the point where considerations of prudent administration from the point of view of preserving order in the institutions themselves, as well as regard for the proper conditions under which inmates should be housed, would not permit any longer the deferment of measures to deal with the situation. Perhaps I should not go into any further details here because this is covered under two items of the penitentiary supplementary estimates which will come up later. But for St. Vincent de Paul and British Columbia we have set up temporary institutions to relieve the overcrowding.

Now I mention that subject only to bring the committee into the picture of the extent of the problem with which we were confronted. Not only, did we have this problem of what to do with regard to the increased jurisdiction that the Fauteux commission recommended we should assume, and all the problems of agreement with the provinces on that, and the new institutions that would have to be constructed or taken over if we did agree with the provinces and assumed this responsibility, but in addition we had the current and increasing problem of the tremendous growth in penitentiary population within the categories—that is, those serving sentences of two years and over—for which in any event we have responsibility.

I think we have moved as rapidly as could be expected to deal with both of these problems. Penal institutions are enormously expensive to construct. I feel that the time has arrived in Canada when we should examine seriously the design of the institutions we are building, although here again perhaps I shold defer the detailed discussion until we reach the penitentiary item. But this is only one of the aspects of the problems that we have had. We have had to take a completely new look at the type of institutions we are providing for those now under federal authority.

In addition, we have had to look at the types of reform programs that we should institute in connection with the added number of inmates for whom we would be assuming responsibility if the Fauteux recommendations are to be implemented, and all the related problems of parole services, integration of the parole service with the probation services of the provinces and co-ordination of our efforts in parole with the efforts of the voluntary after-care agencies, bearing in mind that the work both of the parole service and of the voluntary agencies will be greatly increased when in fact we take over the additional number of prisoners which will be the result of adopting the recommendations of the Fauteux committee.

The first thing we had to do was to arrive at a decision in principle on the part of the dominion government. Would we accept the recommendations of the Fauteux committee? If we accepted them, what would that involve in the way of financial expenditure on new institutions? What would it involve in the way of expenditure in connection with the new staff that we would have to recruit? What would it involve in the way of the training of the new staff that we would have to recruit in order to administer the physical problem presented by the number of inmates and the reform problem presented by the new program that we wanted to institute?

It would have been completely foolish, I think, for us to have rushed ahead and entered into discussions with the provinces on the Fauteux report before we had assessed for ourselves those steps which we would have to take in order to implement that report if agreement should be arrived at. We had to make that assessment first of all. Some

time ago my colleagues arrived at agreement and authorized me to communicate with the provinces to the effect that the government was prepared to accept in principle the recommendations of the Fauteux committee. We had made a preliminary study of what was involved physically and financially and had decided that we would accept it, that it was in the interests of the country to do so and in the interests of modern penal reform and modern penal methods.

So an invitation was extended to the attorneys general of all the provinces and other provincial ministers interested in or responsible for prison matters, and a conference was held in Ottawa in October of last year. A full statement was issued at the conclusion of the conference so I will not go into too great detail here beyond reminding the committee that I am extremely happy to be able to report that unanimous agreement was arrived at in that conference on the general principle of the implementation of the Fauteux committee recommendations in so far as those proposals related to the assumption by the dominion government of responsibility for persons sentenced to terms of over six months. There were some details in that connection which can be found if hon. members care to consult the communique issued at the close of the conference.

Mr. Martin (Essex East): Has my hon. friend given the names of the members of the committee?

Mr. Fulton: Not yet. The conference I am discussing at the moment is the conference between myself and my officials on the one hand and the provincial attorneys general and other provincial ministers on the other hand.

It is true that some reservations were expressed by some of the provinces, notably my own province of British Columbia, but in general it is correct to say that there was unanimous agreement within the areas I have described. Having obtained the approval of the provinces, it was necessary immediately after that to set up a planning group within our own staff to work out the details of the arrangements that will have to be carried out in order to make this agreement in principle a reality in fact. As I announced through the medium of a press release some time ago a correctional planning committee was appointed consisting of Mr. A. J. MacLeod, Q.C., director of the criminal law section of the Department of Justice and previously director of the remission service in my department; Colonel J. R. Stone, ex-provost marshal of the Canadian army; and Mr. J. A. McLaughlin, assistant commissioner of penitentiaries.

That committee has been instructed to carry out its planning in accordance with fairly lengthy and full terms of reference. I have the terms of reference before me. If they are of interest to the committee I could read them but it is a fairly lengthy document and if the committee wishes I can table it so that the terms of reference can be studied at leisure.

Mr. Martin (Essex East): Paraphrase it.

Mr. Fulton: In general the instructions to the committee are divided into a number of sections: institutional, narcotic drugs, correctional workers, after-care of inmates, research and public education. In connection with the institutional aspect of planning the committee is instructed to plan a program for the custody, treatment and training of adult offenders with the object of achieving the reform and ultimate rehabilitation of as large a number of inmates as possible on the basis that the dominion will assume responsibility for persons sentenced under federal laws to terms of one year or more and that sentences under federal laws of more than six months but less than one year will be eliminated.

Second, the committee is instructed to plan a system of diversified institutions by means of which, in accordance with generally accepted modern correctional principles the program can be carried out effectively and efficiently, including recommendations for the design and location of such new institutions as may be necessary and the phasing of a building program.

Third, the committee is to formulate suitable proposals whereby effect may be given to the agreement reached at the dominion-provincial conference of October 13 and 14, 1958, relating to the custody of convicted persons who are mentally ill, the custody of convicted persons who are under the age of 16 years and the custody of female prisoners. Perhaps I should pause there to say that it was agreed in principle at the dominion-provincial conference that new arrangements should be made for the custody of the three categories of persons whom I have mentioned.

Next—this is still under "institutional"—commencing immediately and in consultation with the commissioner of penitentiaries the committee is to make recommendations concerning the location, design and function of any new or enlarged institutions or projects that are necessary or desirable to relieve existing overcrowded conditions in Canadian penitentiaries, bearing in mind the necessity of integrating any new or expanded institutions into the over-all program and building plans envisaged in the earlier parts of their instruction.

The question of narcotic drugs is perhaps not immediately relevant to the discussion so I will skip that part. Perhaps the committee may agree to my tabling these terms of reference later because, although I think I could say that this is technically an interdepartmental document which would normally be privileged, in view of the interest that there is in this program I would be quite prepared to table the instructions in full if hon. members so desire.

Under the heading of "correctional workers" the committee is instructed to survey the present and future needs for trained correctional workers in the federal correctional field and to compile information received from the provincial governments concerning their needs for correctional workers and the available resources for their training. The committee is also to plan a co-operative program with the provincial governments and, where appropriate, with the voluntary after-care agencies under which we may provide facilities for advanced training in correctional work. Also, in consultation with the commissioner of penitentiaries the committee is to plan an improved program of in-service training for custodial officers employed in the penitentiary service.

Under the heading of "after-care of inmates" the committee is instructed to survey the work done in this field by the after-care agencies, to consult with the new national parole board and with all others concerned and to make recommendations for expanding the work in that field. They are instructed also to make recommendations whereby the operations of the federal parole service and provincial probation service may be better co-ordinated to promote efficiency and economy in the after care of released inmates.

Then, there are instructions with regard to research, and with regard to public education or information concerning the program we have under way. The committee has further been instructed, in the course of its planning, to visit each of the provinces of Canada to determine the nature of the existing operations of our own penitentiaries branch there, and the views of the local penitentiary officials concerning possible future operations and locations for those operations. They have been instructed also to discuss the type of institutional program now being carried on by the provinces and the location and possible suitability for federal purposes of existing provincial institutions because we may well have to take over, if the provinces agree, some of their existing institutions, as and when we assume responsibility for some of the inmates who are under provincial responsibility.

The committee has been instructed also to ascertain the views of local authorities concerning future programs and types, location and suitability of future institutions. They have been instructed to make certain travels abroad, particularly in the United States and in the United Kingdom to examine the nature of the penal institutions in those countries and the principles upon which those institutions are administered, having in mind of course the emphasis in the United Kingdom is on probation, the Borstal system and so on.

I recognize that this is a lengthy summary, and I am sorry. However, this is a huge field. It is lengthy, and yet it is still only a summary of the instructions we have given to the committee. Finally, the committee has been instructed that, if it is at all possible, that they must complete their program of travel and investigation by June 30 of this year, and that they will be expected to submit their report and recommendations, if possible by December 30 of this year.

Mr. Martin (Essex East): Is the travelling all in Canada?

Mr. Fulton: No, as I explained just a moment ago, most of their travelling will be within Canada, but they are instructed to go particularly to the United States and the United Kingdom as well.

This then, Mr. Chairman, is a summary of the scope of the work of the correctional planning committee. I have been asked also whether the committee is to give any consideration to the problem which we now face with respect to the overcrowding in our present institutions. Yes, they are. In the course of their travels they will be expected to visit Canadian penitentiaries in order to assess the situation there. We did refer to them, as a special matter, the situation in British Columbia and at St. Vincent de Paul where, as I have said, the greatest degree of overcrowding exists. It is due to the committee, in large part, that the suggestion for the use of William Head was put forward.

Mr. Martin (Essex East): That is the old immigration building?

Mr. Fulton: The William Head institution is the old immigration and health centre, and it was under the jurisdiction of my colleague the Minister of National Health and Welfare. In connection with St. Vincent de Paul, we have arranged with the Department of National Defence to take over temporarily the army camp at Valleyfield. I can give more details on both William Head and Valleyfield under the supplementary item of penitentiaries which will be reached in a few moments.

The final question is whether or not it is intended to carry on the use of the William Head type of institution which is now being established there. I should say in answer to that question, that it is essential to make clear that in so far as William Head and Valleyfield are concerned, those are only temporary measures to relieve overcrowding. They are not to be regarded in any sense as the beginning of the new institutions. It may be that we will find, when the committee completes its study, that William Head or Valleyfield may fit into the over-all plans that they then recommend. However, I have made clear to all those with whom I have corresponded, and it is certainly clear in the minds of the departmental officials, that William Head and Valleyfield are not the commencement of any new plan. They are temporary measures to relieve emergency overcrowding which we had inherited. I would not want at this stage, before the committee has had time to make a sensible over-all plan, to commit ourselves to William Head or Valleyfield, and perhaps later on find that they did not fit in with the over-all plan and yet, by reason of committing ourselves, we had perhaps distorted the program we would eventually like to carry out. These two moves, then, are entirely of a temporary and emergency nature. Of course, we hope to get a good deal of benefit from the experience of the decentralized operation of two of the main penitentiaries in Canada.

I believe I have answered the questions so far. I think the committee will agree with me when I say there was throughout the country a great deal of approbation of the appointments made to the correctional planning committee, and the country expects a great deal from the work of this committee. From my knowledge of the gentlemen concerned and of the way in which they are going about their planning work, the vigour and enthusiasm with which they are approaching their task, I think I can safely say the government and the country will not be disappointed by the results that the committee produces.

Mr. Martin (Essex East): The minister speaks of the overcrowding of these institutions as one of the considerations before the planning committee. I presume that the committee will have in mind finding some place, not merely to house the bodies of prisoners who are of a certain age, but the provision of additional facilities which will take into account the segregation of certain classes of prisoners, particularly young people, many of whom find themselves lodged in penitentiaries. The minister did not make clear in the statement I heard whether or not that is an objective which the committee will bear in mind.

Mr. Fulton: I think I did make it clear, but I think the hon. gentleman was called out of the house for a few minutes. I pointed out that it was one of the instructions of the committee to formulate in the planning suitable proposals whereby effect may be given to the agreement reached at the dominion-provincial conference of October 13 and 14, 1958, relating to the custody of convicted persons who are mentally ill, the custody of convicted persons who are under 16 years of age and the custody of female prisoners.

Mr. Woolliams: I should like to ask the Minister of Justice a few questions with reference to his remarks, particularly since I am interested in and have worked with young people in the provinces of Alberta and Saskatchewan who have from time to time broken the rules of society and become incarcerated in our institutions. If I understood the minister correctly, his department is now endeavouring to work out arrangements with the provinces to assume responsibility for those prisoners who have been given sentences greater than six months. I take it that the federal government would then become financially responsible for those institutions in which a person was incarcerated for a length of time greater than six months?

Mr. Fulton: That is correct, Mr. Chairman. Of course, the details and the terms under which we will assume that responsibility is amongst those matters which have been referred to the correctional planning committee. They will be entering into negotiations with the provinces as to the basis upon which we will assume this responsibility.

Perhaps I should say it is our plan, when this over-all program goes into effect, that sentences under federal statutes for terms of less than 12 months will be eliminated because it is our feeling that inasmuch as federal institutions will become in large part, not exclusively but in large part, reform institutions, sentences of less than 12 months would not warrant committal to a federal reform institution.

Mr. Woolliams: There is another question I should like to ask. The minister mentioned overcrowded conditions at Montreal and Winnipeg. I wonder whether he could give us some information as to the conditions at the penitentiary at Prince Albert in Saskatchewan. Conditions in the penitentiary in Alberta are not overcrowded because we have not a penitentiary. About 65 per cent of the inmates in Saskatchewan come from

the province of Alberta. I wonder whether the minister would be prepared to tell us today what the situation is in the Prince Albert penitentiary.

Mr. Fulton: May I suggest to the hon. gentleman that he might defer detailed questions until we get to items 707 and 708 under the heading "Penitentiaries". In general, however, in response to his question, I can say that all our federal penitentiaries are overcrowded and the matter is one of real concern. The two worst were at Montreal and British Columbia. Speaking from recollection I would say that Dorchester and Prince Albert are about next in order. As I recall it, the situation in Manitoba is about the best. There is overcrowding at Kingston, but that overcrowding will be relieved shortly by the coming into operation of the new institution at Joyceville, 11 miles from Kingston, which institution will be completed and will come into full operation during the current year.

Mr. Woolliams: I thank the minister. I have one other question I should like to ask. This matter is often raised and we are asked about it by our constituents and sometimes in our practice of law. Under the new system that is being implemented under the committee just how long would a person be obliged to serve in a penitentiary a sentence he has been given before he can make application for parole? This matter may come under the next item, but while I was on my feet, as the minister covered part of that field, I felt that I might ask it here.

Mr. Fulton: At the present time there is a rule of thumb that an inmate must have served half his sentence before his file is closely examined for parole. I have discussed this matter with Mr. Streets, the chairman of the new parole board, and have asked him to take a look at this rule of thumb and to keep it in mind. I am not satisfied that a rule of thumb is the kind of rule you want when you are dealing with human factors. I have asked him to keep that in mind and I find that, in general terms, he agrees with my approach and will bear it in mind when he is drafting the new regulations under which the national parole board will operate.

Mr. Woolliams: In reference to that matter, Mr. Chairman, may I say this. I do not know how exact these figures would be but in discussing this problem with the John Howard Society in Calgary I found they went so far as to say that we are facing a situation of parole where 80 per cent of those who have been given an opportunity of parole do not return to the penitentiary whereas it is in reverse when they have not had the opportunity of parole. That is why I was interested as to when they could make application for parole.

Mr. Howard: There is one small matter I think we might deal with under this item. It was occasioned by the comment the minister made when he was informing us of the provisions with reference to this committee. It has reference to drug addiction and drug addicts and the large field covered. I wonder whether the minister under this item would be in a position to relate what additional steps have been taken since the last time this matter was discussed toward the idea of setting up a hospital or clinic or separate institution in which to deal with or to house drug addicts and to assist them in becoming non-addicts upon their release?

Mr. Fulton: I answered a somewhat similar question dealing with this subject asked by the hon. member for Vancouver East on the orders of the day and I am not able to add much to what I said then. The subject is being studied now and when I say "studied" I do not mean I am putting it off. I mean it is being studied by the officials of my department and those of the Department of National Health and Welfare; and with the knowledge and consent of the Minister of National Health and Welfare it has also been referred as a specific item to the correctional planning committee for study and report. As I said this morning, it is a field in which it is important that we make progress, and yet a field in which it is difficult to obtain agreement as to the direction in which that progress should be made, because there are wide and strongly held differences of opinion in this field.

Item agreed to.

706. Remission service—further amount required for Parole Act administration and to authorize the expenditure, for the purposes of the said act, of moneys provided for the remission service by the Appropriation Act No. 5, 1958, $28,000.

Mr. Pearson: Under this item I should like to raise questions with regard to the practice of commuting death sentences to life imprisonment, one which has grown up in recent years. The committee will recall that the other day, in answer to a question asked by the hon. member for Hochelaga—and I am quoting from page 852 of *Hansard*—the minister gave the answer that 21 capital sentences were considered by the governor in council since June, 1957, and that 17 of those 21 were commuted to life imprisonment. I believe that only in the case of four of these 21 sentences was a recommendation for mercy received by the cabinet. Mr. Chairman, the question is not one of whether or not to

abolish the death penalty. The question is whether, if action is to be taken in that direction, it should be taken by means of executive action.

Mr. Fulton: I am sorry to interrupt; that is why I have allowed this much of the speech to go by. I hesitated to rise on a point of order again but the Leader of the Opposition is now discussing the question of commutation of death sentences. That is something which is done in cabinet and not by the remission service. And especially if, as I now sense, the direction of the hon. gentleman's question is going to lead us into a discussion of the principle on which the death sentence should be confirmed or commuted or anything related to capital punishment, I reluctantly draw your attention, Mr. Chairman, to the fact that such discussion would be out of order under the present item.

Mr. Pearson: The reason I raise this matter under this item is a clear and indeed an obvious one. We are dealing with the remission service. It is the function of the remission service to consider applications for remission of sentences. If death sentences are going to be commuted to life imprisonment, as has been done recently, this action will undoubtedly add to the work of the remission service for which an appropriation is being requested under this vote. Under the Parole Act, as the minister, of course, knows—I refer to section 7 (a) of the Parole Act—there are periodic reviews of sentences.

Mr. Fulton: On the point of order may I say this. There are not periodic views of death sentences. Death sentences automatically come before council or the cabinet and the decision whether to confirm or to commute is made there. That decision is not made by the remission service.

Mr. Pearson: Of course that statement is correct, Mr. Chairman. But a sentence which is commuted to life imprisonment brings the prisoner within the ambit of the action of the remission service. Surely that fact permits us to talk about the commutation of death sentences which adds, in this case, 17 prisoners who will, in due course—perhaps after 15 years—be eligible for parole and whose sentences will at that time be reviewed by those who are administering this particular act.

All I want to say, and it will only take me a minute to say it, is that if this additional work is to be given to the remission service by the commutation of sentences, then that step should be taken by parliamentary discussion and decision and the necessary amendment of our present legislation, and not by executive action of the government. That is the point I want to make.

Mr. Fulton: I do not know whether what the hon. gentleman suggests is that we should not commute sentences because it might cost the country something. I hope that is not the suggestion.

Mr. Pearson: No, it is not.

Mr. Fulton: If the suggestion is not as I have suggested, then it must be that the matter should be dealt with by way of statute, which amounts also to a suggestion that the governor in council should not continue to exercise the prerogative of mercy. The hon. gentleman and the committee will realize, this being a prerogative, that each individual case is dealt with on its merits, as I have had occasion to say recently when questioned on a television broadcast.

Mr. Howard: Mr. Chairman, under this particular item I would like to make a suggestion, and I hope I shall receive an answer of some sort from the minister, although he may not be in a position to be definite about it. The old act, as I recall, allows for a maximum membership on the parole board of five.

Mr. Fulton: Yes, a membership of five; that is correct.

Mr. Howard: It allows for a maximum membership of five on the board and there are presently four members. In view of the comments which were made earlier under the preceding item that the department or the federal government will be extending its jurisdiction over sentences to a point where they will be reduced from the present two years to one year, and so on, it would bring far more women prisoners under the jurisdiction of the commissioners and the department than there are at the present time. I believe at the moment there are some 98 or 100 women in the women's penitentiary at Kingston. Now what an addition of one year would mean I do not know, but I am sure that it will mean that there will be far more women considered by the parole board for parole. In view of that, I wonder whether the minister will reserve, if he has not already done so, that additional space on the parole board for a woman? Would he consider the appointment of a woman to fill that position so that the woman's point of view may be present on the parole board?

Mr. Fulton: I appreciate the remarks that the hon. gentleman has made, and I share with him the feeling that this is a place where the point of view of women should be increasingly recognized, and through the parole board it should be given effect. I

cannot, as I stand here today, give a firm commitment that if and when an appointment is made to the fifth vacancy it will be a woman, but I can tell the hon. gentleman that I have received many representations to the effect that the vacancy should be filled by a woman, and those representations will be borne in mind if and when the appointment comes to be made.

Mr. Howard: One further point. Could the minister indicate whether it will not be a man?

Mr. Fulton: It will be a Canadian.

Mr. Winch: Mr. Chairman, without having been sentenced I make periodic visits to the penitentiary, and I am one of the fortunate ones who can get in and out. As a matter of fact only three days before I left British Columbia for the opening of this House of Commons I visited the penitentiary of British Columbia, and there I met one of the old friends of the Minister of Justice. I do not mean a personal friend, but a friend who has very often come to his notice, especially in the last session.

An hon. Member: Liberal?

Mr. Winch: I did not ask him how he voted. At the present moment he has not a vote. My point has to do with the question of parole and revocation. In other words, I am referring to the Minister of Justice's old friend, Mr. Munavish, who had his ticket of leave cancelled last year. I promised that I would draw to the minister's attention at the earliest opportunity the fact that this man still maintains that he was wrongfully picked up and was not guilty of the breaking of his ticket parole as charged. He maintains that he has never had a proper opportunity of giving an explanation, shall I say, or answer the accusation made against him, and therefore that he was unjustly recommitted to an indefinite term to the penitentiary. As I think the hon. minister knows, I have quite a few remission cases, and when I meet these prisoners in the penitentiary, or communicate with them in correspondence, I am pretty blunt with them. If I think they are trying to lead me astray I let them know point blank where they get off. I can assure the minister that I did the same thing when I met Mr. Munavish, and the warder who was present with me can confirm what I say. At that time I was not satisfied with the answers I got.

Since arriving back here in Ottawa I have heard from Mr. Munavish, who admitted that perhaps he was wrong in trying to evade the questions I asked. If the answers he now gives and which I did not receive when I first saw him are correct, then I think it might be in the interests of justice to give that man once again an opportunity of answering the questions which were put to him. In view of the very kind offer made by the minister last year, would he send in an official to personally interview this man? I would like to ask whether consideration could be given to that matter. In addition, can the minister state with regard to this new consideration of parole, of remission or ticket of leave, that there is going to be very considerable thought given as to the basis on which prisoners can have their ticket of leave completely cancelled without there being a sense that full justice has not been done, or that injustice has been done.

Mr. Fulton: Mr. Chairman, as to the specific case the hon. gentleman refers to, I will be glad to refer it, in my turn, to the chairman of the parole board. The board is now set up and will commence to function under the new act which comes into force on the 15th of this month. I will ask the chairman of the parole board to look at the remarks of the hon. gentleman, look at the past record, and in the light of what has been said to have another look at the Munavish case.

With respect to the general problem of the recommittal of parolees, this is an area where it is difficult always to expect complete agreement. The general principle is that a person out on parole is not a free person who is deprived of a right when he is recommitted. The fact is that he is a man still under sentence, who has been given a licence to spend the rest of his sentence at liberty so long as he complies with certain conditions which may be laid down, and so long as the parole authorities are satisfied that there is no danger to society in his continuing to be at large. It is on that basis that I think it would be impossible to say that a parolee who is ordered for recommittal is entitled, as it were, to a full trial in the full implication of those words, because he is not charged with anything. He is not charged with a new offence.

It is a matter of judgment.

The parole authorities may come to the conclusion that—perhaps because he may have taken up again with his former associates with whom he fell into a life of crime originally, or because of other indications—that if they leave him at large any longer he will in fact commit another crime, that in his best interests and those of society the wisest thing that could be done is to put him back into prison for the time being. These are matters of judgment, as I say, and I do not think we will always get agreement. Here again, I do not like the

idea of committing or recommitting a man without giving him the fullest possible information as to the basis on which he is committed or recommitted. I have asked the chairman of the parole board to look at the problem also and when he comes to draft his regulations to see what can be done and what latitude can be allowed with respect to the circumstances under which, and the information which will be made available to a prisoner or a parolee who is ordered to be recommitted.

Mr. Houck: Mr. Chairman, the Minister of Justice has mentioned the chairman of the parole board and I would be very remiss if I did not say a word of congratulation to the minister on the appointment of Magistrate George Streets of Welland as chairman of that board. Coming from Welland county I have known this gentleman for many years. Although we differed politically we were always the best of friends and I wish to tell the minister that he has made a splendid choice in this appointment. Magistrate Streets was always held in high respect in Welland county and did a fine job as a young magistrate. I know he will win commendation as chairman of the board and fill that office not only with honour and respect to himself but to the minister and the government as well.

Item agreed to.

B—Penitentiaries

707. Operation and maintenance of penitentiaries —further amount required, $151,394.

Mr. Grafftey: Mr. Chairman, we have just passed an item in relation to the parole legislation recently approved by the house. I think it is fair to say that item 707 and the previous items are inter-related in a very real way. I think it is also fair to say, as the minister said a few moments ago, that all the items under the supplementary estimates of the Department of Justice are inter-related. As recommendations with respect to parole legislation are implemented we hope to see the prison population falling within federal competence diminish and yet as the federal authorities take over a field previously held by provincial authorities this population might possibly increase.

I do not intend to open up a full discussion on modern penology or criminology methods under this item but I do feel a few brief remarks are definitely in order. The Minister of Justice has already stated that when he assumed his portfolio he found an unbelievable state of overcrowdedness in federal penitentiaries. I hope I am not introducing a partisan note when I voice a certain degree of surprise that the past administration should have let the building aspect of Canadian penitentiaries deteriorate to such a great extent. No apparent attempt was made to keep up with modern methods of criminology in terms of the physical buildings. I am thinking particularly of the penitentiary at St. Vincent de Paul which I have personally visited. The conditions I found there not very long ago smacked of a bygone age.

I should like to introduce this general note into the discussion at this time. There are many important fields of governmental activity requiring public co-operation and understanding and this is also very true with respect to this aspect of the work of the Department of Justice. What we have to convey to the public is knowledge of the fact that any improvement in penology does not—

The Acting Chairman (Mr. MacEwan): Order. I would ask hon. members to please follow the items as numbered in the supplementary estimates. We are presently discussing item No. 707 respecting the operation and maintenance of penitentiaries.

Mr. Grafftey: Mr. Chairman, I was just going to stress the fact that any improvement in the operation of the physical plant of our penitentiaries is most certainly related to modern methods of criminology. Many private organizations have approached me personally, as I know they have approached other hon. gentlemen, commending the present Minister of Justice for the new look that is obviously in vogue in his department.

Mr. Martin (Essex East): Now you definitely are out of order.

Mr. Grafftey: I may be out of order but I would like to say this. When I saw the state of affairs existing with respect to Canadian penitentiaries at the end of the Liberal regime I could not help but think that the famous 19th century Liberals would have been rather surprised at the so-called party of reform in the mid-twentieth century. I cannot understand why the previous Liberal administration did not implement more of the recommendations contained in the Archambault and Fauteux reports. I can say that the present administration intends to carry out the main recommendations of the Fauteux report and one can already see this in the supplementary estimates before us today. Expenditures are being made along these lines and this should win the wholehearted approval of this committee and the people of Canada.

Mr. Howard: Mr. Chairman, if I were a Liberal—heaven forbid—I might have some

cause to make a few comments concerning what the speaker who preceded me had to say. I wonder if we would be stretching a point in asking permission to consider the provisions of items Nos. 707 and 708 together because they are related. Item No. 707 refers to the operation and maintenance of penitentiaries and item No. 708 refers to construction, improvements and equipment. I imagine item 708 is the reason for the additional amount required in 707. If it could be viewed in that light we might discuss it more intelligently.

The Acting Chairman (Mr. MacEwan): Hon. members of the committee have heard the suggestion of the hon. member for Skeena. Is the committee agreeable to discussing the two items together?

Some hon. Members: Agreed.

Mr. Howard: Thank you very much, Mr. Chairman, and members of the committee. There are just one or two matters that require clarification. The minister was kind enough to make a brief reference to the additional expenditures required. In examining the details listed on page 7 I observe that they refer to St. Vincent de Paul and British Columbia. Doubtless these institutions were more over-crowded than others. I take it from the minister's remarks that the additional buildings that were constructed were of a temporary nature and were not necessarily to be the pattern for any future operation of penitentiaries or any security program. Can the minister tell us what type of accommodation has been provided at these two institutions as a result of this vote?

The next item listed refers to the construction of additional buildings at penitentiaries. Can the minister say if this refers to the New Westminster penitentiary or simply the one at William Head to which he referred?

Mr. Fulton: Mr. Chairman, dealing with the last part of the question first, so far as the item referring to British Columbia is concerned it is exclusively restricted to British Columbia. We may not find it possible to spend any more money on old buildings because you can only renovate, rehabilitate and modernize old buildings up to a certain point and after that you do not get a return for what you are spending. We do not want to spend money on old buildings because we know we are going to have to build a number of new institutions.

With regard to the type of building required at William Head and Valleyfield, at William Head we have taken over a portion of the quarantine station operated by the Department of National Health and Welfare which is estimated to be able to accommodate up to 100 prisoners. The buildings themselves are not being extensively altered. We were fortunate in finding something that, for the type of inmate which will be sent there, is almost immediately suitable and, as the hon. member for Vancouver East pointed out, it forms what you might call an open type of institution. Those who will be sent there to relieve the overcrowding are those who are nearing the end of their sentences or, alternatively, those on short sentences and who do not require any great security measures to be taken with respect to them. We have not had to make too many alterations at William Head. We have had to do some cleaning up, modernizing and minor adjustments.

I would also like to make clear again that we are not committing ourselves here to William Head but because of the type of institution that we happen to be running there, because of the type of inmate we will be sending there, we expect to get a very great deal of benefit from that experience in moving toward a more open type of institution.

Mr. Winch: On this most interesting point that has been raised by the Minister of Justice, may we ask him to rise and expatiate a little bit more. According to the information given to us a few minutes ago, he does not expect any reports until at least September of this year on the type of construction, place of construction and so forth. After that is received the government will have to give consideration to it. After that is done there will be the drafting of plans and after that there will be construction. I am afraid it is going to be quite a long time, even with the minister hurrying up as much as he possibly can, before very much can be done in the way of alleviating the new scale of overcrowding of the penitentiaries.

As I mentioned a few moments ago, I was in a British Columbia penitentiary a few days before coming down to Ottawa. Not only have they had to open up new dormitories, or expand new dormitories, but they have actually had to place the beds in the corridors in front of the cells. I can assure you, Mr. Chairman, that that does not make for a happy situation and if eastern Canada continues to send their criminals to British Columbia, where we have to sentence them to our penitentiaries, we are going to need more accommodation. There is no question about that, and we are going to need it in the near future.

Therefore, I would like to suggest—I hope it is in the minister's mind—that if anything additional at all is to be done in the existing

penitentiaries, as far as British Columbia is concerned,—I think it applies everywhere else—they try to do it on a dormitory basis, not only because it is cheaper but also because they only put in there those who have a good record and the aid to morale is terrific. The difference between those in the dormitories under very close supervision, of course,—and there are from 24 to 30 in the dormitories in the evening—and those who are locked up so many hours by themselves in a cell is startling.

In addition to this there is one other little point that I should like to mention. I will not take more than a couple of minutes to do it. I find I can only do it in one way and that is by making reference to the detail having to do with remuneration paid to inmates. I see that the vote amounts to $1,100. I want to use it as the basis for what I wish to say. Can consideration be given to perhaps making a policy change in the basis of paying remuneration to inmates? I should like to suggest that a change be made and I hope that my suggestions will be taken very seriously. I mentioned it once before. I should like the payment of remuneration to inmates to include as an entitlement a holdback, and the holdback could be used for the payment of unemployment insurance. I think it is of the utmost importance as a part of the remuneration to which the inmate himself must make a contribution, that there be the payment of unemployment insurance.

I can assure you that one of the biggest problems that this country faces is the fact that the government spends a great deal of money first of all on incarcerating these people because they have broken the laws of society. Then, after we have them in custody we try to rehabilitate them by training so that they will become useful members of society. Then, when their term of imprisonment is up and they are released they come up against the situation which we have had for far too long, namely the serious unemployment situation where the socially responsible unemployed cannot get jobs.

A man coming out of prison is really up against it and what happens? The very few dollars he has are gone. There is no job; there is no unemployment insurance; there is the utmost difficulty in getting welfare. I can assure the Minister of Justice that time after time during this winter, because of my interest in these matters, I have had telephone calls. People have said to me that they were released four weeks ago, six weeks ago, two months ago, and have no jobs and no unemployment insurance and they cannot get welfare. After the first handout from the John Howard Society of British Columbia a person does not get any more as a general rule.

These people ask me, "What am I going to do; what am I expected to do?" I see it personally. The government has spent all this money in trying to rehabilitate these men and these women and it is going right down the drain because they are driven to the point where they say, "I cannot get a job; I have no subsistence; I will try to get away with it again." I think we would be making a far better investment if we were to work out some plan whereby when those people came out, because of their contributions as well as assistance from the government, perhaps not under unemployment insurance itself but in some form along that line that might tie in with it, they could use that money to tide themselves over a difficult time. We would get a better return on the money we spend and there would be a vast number who are now recidivists who would not again commit crimes.

As I say, I can only bring this up under "remuneration" and I most sincerely, from my own personal experience, knowledge and study of this matter, ask the minister to try to work out some plan whereby in desperation those men do not return to crime because they cannot get a job.

Mr. Howard: I realize that the question I am about to ask is something which may be too involved to answer at this time and that it might be better to deal with it at a later stage, but are there any restrictions placed on the type of books and publications which are available to inmates?

Mr. Fulton: There is supervision exercised by the warden and chaplain service, yes. As I recall it, I do not think there is any set of regulations in detail laid down on what type of books may be brought in but the warden on the advice to some extent of the chaplain, as I recall it, is responsible for determining whether a book may or may not be brought in.

Item agreed to.

DEPARTMENT OF LABOUR

A—Department

Special Services—

709. Payments to a province during 1958-59 and 1959-60 fiscal years in accordance with an agreement entered into by the government of Canada and the province, with the approval of the governor in council, that provides for contributions by the government of Canada of amounts not exceeding one half of the cost of labour incurred in the period from the 1st day of December, 1958, to the 30th day of April, 1959, on winter work projects in municipalities as contemplated by the agreement, $15,000,000.

Mr. Regier: Would the minister not like to supply us with a little information before we begin to discuss this item.

Mr. Starr: Mr. Chairman, the municipal incentive program, to which this item allocates $15 million, resulted from a winter employment conference held in Ottawa in July of last year. Participating in the conference were representatives of provincial and municipal governments, national organizations such as labour organizations, chambers of commerce, the Canadian Manufacturers' Association and many others.

The purpose in calling the conference at that time was to ascertain the views of these people as to how winter unemployment could be best combated. The conference lasted two days and those participating in the conference made a report which, I might say, was made without any direction from the federal government. The result was that suggestions were made as to incentives in order to provide more winter activity.

In October of last year the government also had a conference with representatives of the Canadian federation of mayors and municipalities. The mayors attending the conference came from large and small communities across the country. During that conference it was suggested by those representing the municipalities that the maximum amount of work, or at least more than in any other way, could be supplied through the efforts of the municipalities on the municipal level. In other words, they felt they could proceed with some of their municipal projects in the winter time provided the additional cost was offset by a contribution from the federal government.

In view of this suggestion the government offered a program to the provinces and through the provinces to the municipalities. This program involved participation by the federal government to the extent of 50 per cent of the total payroll costs in such projects as would not ordinarily be undertaken during the winter. I might say that the plan was accepted enthusiastically by all the provinces and they are participating to quite a large extent in the winter program. The four provinces of Alberta, Saskatchewan, Ontario and Prince Edward Island added an additional incentive by agreeing to pay 25 per cent which meant that municipalities in those provinces would have 75 per cent of the payroll cost borne by the federal and provincial governments. The province of Manitoba offered 30 per cent as their contribution toward the program.

During the first two months the program was in effect, in fact, up to February 6, 1959, 1,395 municipal projects were accepted. They were processed and approved by the provinces and the federal government and most of them are under way at the moment. According to the figures submitted to us by the municipalities in their applications, these 1,395 projects have provided 22,712 additional on-site jobs this winter across Canada. That figure is broken down in this way. In the Atlantic provinces these projects have provided 4,013 jobs, in Quebec 1,763, in Ontario 8,633, in the prairie provinces 6,328, and in British Columbia 1,975, making a total of 22,712.

Projects are still being submitted and processed. There has been no delay. In addition to the on-site jobs, employment has been provided for many more people engaged in the manufacture of materials and supplies and working in other trades and transportation and other services that are involved. It is estimated by those interested in these projects that the figure of 22,712 workers can be tripled in order to arrive at the number who are participating in the program.

The total cost of the projects accepted to date is $57,272,000, of which amount $46,694,000 will be spent during the five months that the program is in effect, that is, from December 1 to April 30. Direct payroll expenditure on projects accepted to date is estimated to be $15,656,000 and the federal share, being 50 per cent, will be approximately $7,751,000.

I am very pleased with the labour content of these projects. For all of the 1,395 projects approved to date the labour content is 38 per cent. We had hoped that it would be close to 30 per cent but it has gone beyond our expectations. I believe this is because the municipalities made a careful survey of projects in order to submit those where the labour content was the highest and I think they should be commended in this respect. It is estimated that the men employed on these projects will work a total of 1,226,358 man days.

Clearly this program has stimulated work and provided jobs during this period of time and will provide jobs in the next two and a half months for this number and I hope many more as projects are submitted for approval. There is no indication at the moment that the municipalities have no more projects to submit because they are coming in at almost the same rate as they did when the plan was announced.

There has been criticism, of course, that the program was late in starting. It is true that the program was not announced until late in October but the fact is that by December 19 over 500 projects had been processed and approved. I do not know whether

there is anything else I can add at the moment except to say that this is a field in which the federal government has never before participated. Its participation is an indication that the government is concerned about unemployment and that we are trying to do something. The program is the result of suggestions made at the conference where industry, labour, the provinces and the municipalities were represented and the result of direct suggestions made by the mayors representing the municipalities at their conference with us in October of last year.

Mr. Badanai: Mr. Chairman, I should like to take part in the discussion of this item because I have a very close acquaintance with the problems confronting the municipalities, the major one, of course, being unemployment. When the government announced the federal-provincial plan to assist municipalities to create employment we in Fort William were very happy about it. Accordingly our municipal council instructed our engineering department to prepare a list of projects which we hoped would come under the scheme, and which included bridges, sewers, roads and parks. These programs would have put several hundred people to work. Accordingly, we sent this list to the department for approval. But, lo and behold, when we received the list back from the department it was so blue-pencilled that the only thing left on the list was the clearing and brushing of park areas and street rights-of-way. Instead of putting hundreds of people to work, as we expected, only 48 men are now actually employed under the scheme.

During the throne speech debate, I made the following observations in connection with this announced program, as recorded on page 88 of *Hansard* for January 20, 1959:

> Having served as mayor of the city of Fort William for eight years, I was delighted to hear that parliament will be asked to assist the municipalities of Canada in financing construction projects. I hope this aid will not be limited to the recently announced winter work program in conjunction with provincial governments. In this connection it may interest you to know that this project has only benefited 120 unemployed in the city of Fort William. I express the hope that the assistance will go beyond the presently prescribed limitations.

I find I was wrongly informed by the municipality, and that the figures were conveyed to me in the hope that the number would reach 120. A few days later, I was informed by letter from the city administrator, and I quote:

> For your information, projects involving a total of $73,989.92 were approved by the provincial and federal governments and to date 48 men are being employed clearing and brushing park areas and street right-of-ways. It is likely that they will be employed until April 30, 1959. The work is all straight labour and does not involve the purchase of materials, etc.

I want to assure the Minister of Labour, whom I count as one of my friends, that I do not minimize for one moment the importance of any scheme that will create jobs. We are grateful for any action that will give work to even a few, but I must confess that this program does not begin to meet the seriousness of the unemployment situation in Fort William where, as of January 21, we had 3,010 unemployed, which figure is higher than it was on the same date in 1957.

My views on the matter are more or less embodied in a resolution which I had prepared, but because I might be ruled out of order I am not going to move it at this time. However, I should like to read it:

> Whereas, the impact of unemployment falls heavily on municipal governments and
>
> Whereas the present federal-provincial winter work program will not take care of the immediate needs,
>
> Be it resolved that the government give immediate consideration to the extension of the program beyond the present prescribed limitations.

Mr. Chairman, this winter work program, to be really effective, should include construction projects which, because of difficulties in financing, would otherwise be deferred until the municipalities found themselves in a better financial position. I would include new arterial highways bypassing business sections thus relieving traffic in the downtown area; the elimination of railway grade crossings; the widening of arterial highways within city limits; the construction of technical and vocational schools; and the construction of bridges over navigable waters.

The necessity for new bridges in Fort William is real. At the moment there is one bridge connecting the mainland with island No. 2 and a second bridge connecting island No. 2 with island No. 1. Incidentally, these islands are designated by numbers for want of names. We never got around to naming them, but we would be only too happy to do so whenever the government will render additional assistance to enable us to build bridges so that they will not be cut off. If something should happen to the bridge connecting island No. 2, this would have the effect of separating the two islands completely from the mainland. These two islands are suitable for heavy industry and a large industrial development is presently taking place there. On island No. 1 we have the Husky Oil and Refining Company, McColl-Frontenac Oil Co. Ltd., Canada Steamships Lines, Canadian Oil Co. Ltd., and the Canadian Pacific railway. On island No. 2 we have

located the British-American Oil Company, K. A. Powell Canada Ltd., Dryden Paper Company, Thunder bay yacht club, Kam boating club, hydro power commission of Ontario, which is now building a $26 million steam generating plant, and the Northern Engineering and Supply Company.

Other firms presently proceeding with large developments include the Canada Cement Company, Huron Chemicals Ltd., and in addition to these two a number of other firms are negotiating with the city for acreage on island No. 2. The size and location of the desired bridges will have to be defined by consulting engineers, but the immediate need is a bridge to provide an alternative to the Canadian Pacific railway bridge presently crossing the Kaministikwia river.

I did not intend to elaborate on the bridge situation in Fort William, but I feel that it provides an illustration which may have parallels in other parts of the country. These are the types of projects which would provide work for a considerable number of men and I therefore urge the government to take another look at the present winter work program and give the municipalities a break which will enable them to undertake worthwhile projects which will be of lasting benefit to the community. In this young, dynamic Canada of ours, there should be no room for widespread unemployment. Leaving all the recriminations of party politics aside, including the statements often made by members on the government side, "What would you do"—well, I offer a proposition here. I offer the suggestion that in addition to an expanded program of assistance to municipalities, assistance to private enterprise to encourage the establishment of new industries in a similar way as is being done in the promotion and stimulation of house construction, would be the answer to one of the major problems confronting Canada today.

You have already heard in this house about the possibility of the closing of the Canada Car plant in the city of Fort William. If that should happen—I am not suggesting it will because I am hoping that the government will soon decide—

The Acting Chairman (Mr. MacEwan): Order. I would ask hon. members please to make presentations and suggestions under item 709.

Mr. Martin (Essex East): The hon. gentleman was trying to point out that this particular works program in his constituency is inadequate because of a serious layoff. With great respect, Mr. Chairman, I would suggest that he is entitled to mention the circumstances of this layoff in order to point out either the adequacy or the inadequacy of the program.

Mr. Argue: Carry on. It is a good speech.

The Acting Chairman (Mr. MacEwan): On this matter I should just like to suggest that this is a winter works program and should be dealt with as such. The layoff to which I believe the hon. member is referring is one in a plant in his constituency. I would ask the hon. member to continue.

Mr. Badanai: I am referring to the whole program as an example which would benefit our municipality in the matter of a winter works program. I would just say that if the Canada Car Company fails to receive an order for this vehicle which I have mentioned, if the government had a provision to establish, to finance or to help or assist in financing the establishment of a new industry, I dare say there would be a number of our citizens, including some of those who are presently working at this plant, who would be able and willing to form such a company and with the government's assistance it could be successful and capable of retaining a large skilled labour force employed. If the government persists in belittling or ignoring constructive suggestions such as those I have endeavoured to make, then the members of the government need not feel annoyed if they are reminded by the opposition of the seriousness of the unemployment situation. I submit that the road out of unemployment is not a road paved with platitudes and good intentions. It is a road that can be found only with courage and imagination, as well as the means which the government possesses.

Mr. Regier: Mr. Chairman—

Mr. Starr: Would the hon. member permit me to make an observation with respect to what has been said by the hon. member for Fort William?

Mr. Regier: Yes.

Mr. Starr: The hon. member for Fort William mentioned that sewers, bridges and other underpasses were not included. It is set out clearly that sewers are included. We have passed a large number of large sewer projects. Bridges are included for the major reconstruction of roads as well as underpasses and culverts. All these things are included.

Mr. Martin (Essex East): Provided the municipality pays for the supplies and everything.

Mr. Starr: Yes.

Mr. Martin (Essex East): All the federal government does is pay a percentage of the cost of the actual labour involved.

Mr. Starr: That is exactly our plan. We pay a percentage of the payroll.

Mr. Badanai: In reply to the minister's question, I must say that we have proposed the construction of a new bridge and it was turned down by the department. That is the information I have.

Mr. Regier: Mr. Chairman—

Mr. Broome: Mr. Chairman, just before this session began—

The Chairman: Order. I recognize the hon. member for Burnaby-Coquitlam.

Mr. Regier: I wish, Mr. Chairman, that the unemployed in Canada were as well organized as—

Some hon. Members: Order.

Mr. Broome: Mr. Chairman—

The Chairman: Order. I regret to stop the hon. member for Burnaby-Coquitlam. I will recognize the hon. member for Vancouver South.

Mr. Badanai: The hon. member for Burnaby-Coquitlam rose previously.

Mr. Argue: The minister opened with his statement.

The Chairman: Does the hon. member for Burnaby-Coquitlam wish to ask a question about the minister's statement? Was it just a question that he wished to ask?

Mr. Regier: No, Mr. Chairman. Before the opposition should be presenting its case we invited the minister to make a statement and I extended that invitation. However, out of respect to the Liberals I allowed the hon. member for Fort William to go ahead.

Mr. Martin (Essex East): I think everybody in the house will agree that that is the situation. The hon. member asked a question whether the Minister of Labour was making an opening statement. I think that in all fairness, you would want to allow him to speak.

The Chairman: I understand the situation. I therefore give the floor to the hon. member for Burnaby-Coquitlam.

Mr. Regier: Thank you very much, Mr. Chairman. As I was beginning to say, I wish the unemployed in Canada were as well organized as are other groups in Canada. If that were the case, this item appearing in the estimates at this time would become one of the major subjects for a debate in this house at the current session of parliament. I believe it is rather odd that a major item of this kind appears, as it were, after the event and comes before us as one of the items in the supplementary estimates. What I have in mind is this. A matter as important as this item should in my opinion have been presented to the House of Commons at the last session and should have been presented in the form of legislation so that there might have ensued a debate on, first, the need for action along that line and, second, the methods that might be adopted for the successful implementation of that legislation. However, we are obliged to satisfy ourselves now with merely conducting a debate on a matter that appears in the estimates.

I realize that the government at the end of the last session was keenly aware of the fact that a measure of this kind would be necessary in the winter of 1958-59. Unemployment was not receding, as it had so often done, over the summer months or in the course of the summer months and anyone in Canada with any modicum of intelligence at all could foresee the situation that we would be having on our hands in the forthcoming winter. Yet this government would not take parliament into its confidence as to what its plans were.

I am hoping the Minister of Labour is not going to consider that what I have to say is an attack on either himself or the administration of his department. He has certain responsibilities as a minister. However, they are extremely limited. They are limited in the main to administration efforts. However, this item in the estimates involves much more than matters which concern only our Minister of Labour. I feel that when this item in the estimates is being discussed leading members of the government ought to be in their places and ought to be prepared to show how this item meets their commitment to the people of Canada that as long as they are in office no one would suffer because of unemployment. I am going to vote for this program. I am going to vote for this $15 million because I know how necessary it is. Nevertheless it is a pittance. It is a weak program in the light of the need and in the light of the type of program the people of Canada expected this government to produce. After all, Mr. Chairman, this government has now been in office for 20 months, since the election of June 10, 1957, and yet in all of those 20 months we find that their major project to relieve unemployment in Canada consists of their so-called winter works plan that is now before us.

Mr. Green: What about housing?

Mr. Argue: What about the unemployed?

Mr. Regier: The minister says, "What about housing?", I am quite prepared to give the

minister full marks on that matter so far as it incidentally relieved to a certain extent the unemployment situation. However, the Minister of Public Works knows full well that housing was coming to a halt in Canada. Private enterprise was deserting the field, and something had to be done. That was the basic reason why the government came forward with its housing program. It was not for the purpose of supplying employment. It just happened to suit the argument of the government of Canada. If the minister remembers what I warned him about last year, I said he would find that as rapidly as he poured money into housing, private enterprise would leave the housing field and devote its funds to more lucrative enterprises in Canada, such as gas pipe lines and the like. However, I do realize that we are getting a little off the estimate now before us. This is the one major item which has been presented by this government to solve the question of unemployment in Canada. This sum of $15 million even by itself, when looked at in money terms, will do very little indeed to restore prosperity and confidence in the economic and business field.

I would like to say a few words on the statement given to us by the Minister of Labour. I appreciate that the minister and his department are not responsible. They are given the unpleasant task of making the best show of a very badly conceived enterprise in the first place. The minister said that this estimate appears before us partly as a result of the report of the conference on winter unemployment. I was in Ottawa at the time this conference was held. I believe almost all of us were in Ottawa; at any rate, we were supposed to be here at that time. Parliament was sitting at the time, yet after the conference we repeatedly asked the minister whether he could advise us whether any action might be forthcoming as a result of the recommendations emanating from this conference. I applaud the calling of the conference but, however, parliament was left to go home on September 6 without being offered any concrete proposals which had emanated from the conference for our consideration.

The minister also indicated that this program may possibly be the result of the conference that the Prime Minister held with the Canadian federation of mayors and municipalities. I believe the minister there engaged in some really wishful thinking, because if my observations of that meeting of the mayors and municipalities are correct, first of all it took place on October 6 and 7 of last year, which is well on into the winter in many parts of Canada. The wire that the Prime Minister sent to the premiers of the provinces or to the provincial governments was not sent until October 27, which was fully three weeks later. However, be that as it may, at the conference of October 6 and 7 to which the minister referred the mayors and reeves of municipalities were told, in effect, to go home and look at their assessment rolls to see whether assessments could not be raised a bit. They were told to look at their tax rate and see whether the mill rate could not be raised a little bit, and if they had any difficulty in borrowing money for major municipal works projects, perhaps it was because they were not offering a high enough rate of interest on the market to attract investors.

Mr. Chairman, I cannot agree that this was as a result of the report of the conference on winter unemployment, because if it had been, parliament, which was meeting at the time, had the right to expect the government to make some announcement to parliament—

Mr. Starr: Mr. Chairman on a question of privilege, the hon. member is questioning my statement that this matter was not discussed with the mayors and as a result this plan was put into effect. I wish to inform the hon. member that he will have to take my word for it: I was present and discussed it with them.

Mr. Regier: I thank the minister for his interruption, and I am very sorry if I created a wrong impression in his mind. However, I do not believe that I said that this project was not discussed. I only doubted that it really emanated as a result of those discussions, because it took three full weeks after that meeting until the provincial governments were advised. Major projects like this, cannot be undertaken by municipalities on almost no notice whatsoever. I cannot think of any major project requiring employment in my municipality of Burnaby or Port Moody which can be undertaken without first having to prepare plans and to submit those plans by way of money by-laws to the rate payers. Then after that they have to go to the money markets and sell their bonds and their debentures. I notice that it was not until some time after October 26 that the municipalities actually received the details, which made it useless for the purpose of providing employment.

Progress reported.

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

PRIVATE BILLS

CANADIAN MEDICAL ASSOCIATION

Mr. H. M. Horner (Jasper-Edson) moved the second reading of Bill S-5 respecting the Canadian Medical Association.

He said: Mr. Speaker, it is indeed a great honour for me to sponsor this bill on behalf of the Canadian Medical Association. This association was founded in Quebec in 1867 and was incorporated by act of federal parliament in 1909. The first president of the association was Sir Charles Tupper.

The association represents 80 to 85 per cent of the practising members of the medical profession in Canada. Throughout the years it has done everything possible to promote the health and well-being of Canadian citizens. As all hon. members are aware the practice and scope of medicine and its impact upon our citizens have changed tremendously since 1909. The purpose of this bill is simply to modernize the constitution of the association and bring it up to date. It seeks to repeal sections 2 and 7 of chapter 62 of the statutes of 1909. The important additions provided by this bill are contained in paragraphs (f) and (g) of clause 2 of the present bill which reads as follows:

2. (f) to promote the interests of the members of the association and to act on their behalf in the promotion thereof;

(g) to grant sums of money out of the funds of the association for the furtherance of these projects;

In January of 1957 provisions came into effect to set up a pension and retirement scheme on a voluntary basis for members of the association. These changes were made possible because of provisions in the Income Tax Act introduced in that year. The alterations in the constitution of the association are required so that the Canadian Medical Association can look after its members. The other changes are related to the wider fields that are now within the realm of the members of the association. Some examples of these, of course, are the fields of industrial medicine, public health and cancer control.

The changes in section 7 merely represent a request to remove the limitations presently imposed on the value of real estate which the association may own. Naturally the costs and values of 1909 are unrealistic today. Again these changes are merely designed to bring the constitution up to date. As the association has always taken the lead in medical health and care of Canadians and in making sure that new advances in medical knowledge and care were made available to the people, it is now seeking to take the lead in the management of its own affairs in having its constitution brought up to date. It gives me great pleasure to recommend to the house the passage of this bill altering the constitution of the Canadian Medical Association.

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to say a few words in support of this bill. As the hon. gentleman who has just taken his seat has said, this association is one with a long and creditable history of public service, the first president being a former distinguished member of the Canadian parliament, Sir Charles Tupper, who at one time was prime minister of Canada and who was an outstanding physician.

Mr. McCleave: And a distinguished Nova Scotian.

Mr. Martin (Essex East): As the hon. gentleman has just said, Sir Charles Tupper came from Nova Scotia. He was not the only person from Nova Scotia to have made a contribution to the Canadian Medical Association but he will long be remembered for the outstanding contributions he has made.

As one who was minister of national health and welfare of this country for some years I feel I may speak with some authority about the contribution which the Canadian Medical Association makes to the profession of medicine and generally to the work of improving the health services of our country. I have in mind particularly men like Dr. Clarence Routley who, as secretary of this association for such a long time and as president of the association at a time when he was also president of a much wider body comprised of physicians of the commonwealth and other countries as well, has won the gratitude of the Canadian Medical Association, the people of Canada and the government of Canada. His leadership and co-operation in the association during the time I served as minister of national health and welfare deserve profound gratitude. He represented Canada as indeed have other officers of this association at meetings of the World Health Organization on several occasions.

The present vice-president of the association, Dr. Kirk Lyon, who would be president but for the fact that His Royal Highness the Duke of Edinburgh occupies that post at the present time, is also a man who has made a great contribution both to the Ontario Medical Association and to the Canadian Medical Association. I am very pleased about the services that Dr. Lyon has made because he comes from my own county of Essex. Dr. Murray Douglas the president of the Ontario Medical Association also comes from

this county and both these distinguished gentlemen have made extremely worthwhile contributions.

At a time when there was much criticism of the proposal for hospital insurance introduced and placed on the statute books by the previous administration the Canadian Medical Association gave its support to the proposal and through such personalities as Dr. Routley greatly facilitated the public understanding of a measure that is now widely accepted in most parts of Canada.

I believe this bill is one that deserves our support and I am glad to have had the opportunity of saying these few words about some of the contemporary members of this great body. I conclude what I have to say by noting that the work these men have done is now being carried out in the same outstanding manner by its present officers and particularly by Dr. A. D. Kelly, secretary of the association.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

WATERLOO MUTUAL INSURANCE COMPANY

The house resumed from Friday, February 6, consideration of the motion of Mr. Weichel for the second reading of Bill S-4, to incorporate the Waterloo Mutual Insurance Company.

Mr. A. R. Webster (St. Antoine-Westmount): Mr. Speaker, the purpose of the bill now before us is to change the basis of the charter of the Waterloo Mutual Insurance Company from a provincial charter to a federal charter; in other words, to bring it under the jurisdiction of the federal superintendent of insurance.

The Waterloo Mutual Fire Insurance Company, which is referred to as a provincial company, was incorporated under the provincial laws of Ontario in 1863. As one of the early incorporated mutual insurance companies of Ontario it has been doing business for about 96 years and now seeks federal incorporation to place itself in a position to benefit from the good will created by its past performance. Under the act of incorporation the new company will continue the business of the former company and assume its assets and liabilities.

The Waterloo Mutual is the last of the mutual companies which were formed years ago in Ontario such as the Gore District Mutual, the Perth Mutual and the Economical Mutual, all of which have obtained federal incorporations and are now operating on the basis of federal charters. This Waterloo company seeks to join those which are now operating as dominion companies. Dominion registration facilitates the extension of its business beyond Ontario. Fire, automobile and other casualty business in Ontario is limited. This company would like to extend its activities to the other provinces of the dominion. Also, in this country about 80 per cent of the life insurance business is in the hands of Canadian insurance companies; whereas casualty, fire and other casualty insurance is in the hands of Canadian companies only to the extent of about 20 per cent. The remainder is in the hands of British, United States and foreign-owned insurance companies. Therefore, the premium income is diverted out of this country to other foreign countries.

The number of life insurance companies in the United States and Canada which are placing mortgages on real estate insist that the fire insurance policies on this real estate must be policies issued by dominion incorporated companies and this Waterloo company finds that it is losing quite a number of its better risks, and naturally they would like to retain them.

Another reason is that when they come to seek reinsurance with the other dominion incorporated companies the provincial companies are treated as more or less unlicensed re-insurers by the dominion department of insurance and they have to deposit insurance to cover their insurance risk with a chartered trust company, which is an inconvenience and an added expense to the provincial companies. Also, the federal insurance companies come under the inspection of the dominion insurance laws, which are a great deal stricter than the provincial laws.

I believe this, in a general way, pretty well covers the reasons for this bill which contains all the provisions required to protect the policy holders as well as the public.

In the event that this incorporation goes through, I may say that there is no intention to change the board of directors or the shareholders or to interfere in any way whatsoever with the capital stock of the company. This bill has the support and the recommendation of the superintendent of insurance who piloted it through the other place and recommended its passage.

Mr. M. D. Morton (Davenport): Mr. Speaker, may I make one brief comment in support of this bill? With respect to the action of the company in increasing its jurisdiction and its ability to compete in the field of insurance I should like to make this comment. I agree with the remarks made here by the sponsor and I believe in the other place. The excuse given that certain

mortgage and insurance companies today insist and require that they place insurance elsewhere rather than with this provincial company is an excuse which was put forward by some of those companies without legal or ethical right in order to give certain advantages to a preferred group of insurance companies. I hope that this company will not be disappointed in increasing its jurisdiction or status by becoming a dominion company by finding that perhaps some other excuses have been given by some of those other companies. I feel at times that some of the mortgage and insurance companies change the insurance, although the mortgage says only that the property should be insured up to the value of the mortgage.

I also note that the applicants are of Canadian origin and seem to be in the constituency of the sponsors of the bill. I was wondering whether the shareholders come primarily from the province of Ontario or the area of the sponsors. I would also like to know whether the sponsor is going to have representatives of the company present when it goes to the committee?

Mr. O. W. Weichel (Waterloo North): Mr. Speaker,—

Mr. Speaker: I must inform the house that if the hon. gentleman speaks now he will close the debate.

Mr. Weichel: I would like to say to the hon. member that we will have representatives of the company at the meeting of the banking and commerce committee. The sponsors of this bill are seeking to have the Waterloo Mutual Insurance Company incorporated as a dominion company. I would like to express my thanks to the hon. members who have spoken in support of this bill. The city of Waterloo has made a fine contribution in matters pertaining to insurance. This company was incorporated under the laws of Ontario in the year 1863, and has been in business for about 96 years. They are seeking federal incorporation to benefit their position. It is purely a Canadian company and the company feels that it should be incorporated under dominion laws to extend its activities to meet all situations.

The assistance which we have received is appreciated very much by this company, Mr. Speaker, and myself.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

SECOND READINGS—SENATE BILLS

The house resumed, from Friday, February 6, consideration of the motion of Mr. McCleave for the second reading of the following bills:

Private Bills

Bill SD-1, for the relief of Lise Nolet Lunghi.

Bill SD-2, for the relief of Margaret Stewart Cairns Bamber.

Bill SD-3, for the relief of Gertrude Czerny Thomschitz, otherwise known as Gertrude Czerny Thomas.

Bill SD-4, for the relief of Miriam Hirsh Leff.

Bill SD-5, for the relief of Phyllida Fairbairn Smith Draper.

Bill SD-6, for the relief of Janos Sztecsinics, otherwise known as Jean Sztecsinics.

Bill SD-7, for the relief of Margaret Craig Murdoch.

Bill SD-8, for the relief of Nita Stella Pollock Adams.

Bill SD-9, for the relief of Enis (Ines) Vit Desnoyers.

Bill SD-10, for the relief of Helen Elizabeth MacDonald Downey.

Bill SD-11, for the relief of Silvia Frederike Diethilde Beate Angela Buchsel Fatter.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. R. J. McCleave (Halifax): Mr. Speaker, when the house was giving consideration last Friday to private members' bills we had an interesting debate on the practice of divorce in the Canadian parliament. A number of interesting contributions were made in that debate. I think every speaker had some new thought to offer on this subject. Perhaps at this time I can make a few comments on some of the more important points that were made. The hon. member for Saskatoon (Mr. Jones) raised two questions that I think should be answered. As you and the house will recall, Mr. Speaker, I said then that as the sponsor of the bills I would not move bills in the house when there was lobbying in support of the bills outside of the House of Commons but inside the parliament buildings. I felt that this was a good stand to take for the protection of members of parliament who frequently, at the request of their constituents, have to do something to help in divorce cases. Judging from the reaction to this statement, I can only conclude that it was a very happy and fortuitous one because I have heard of no disagreement. However, one hon. member did point out that there might be a danger that the person on the losing side of the case would do some lobbying and if I then refused to move the bill the person in the wrong would have achieved a miscarriage of justice and the person in the right would not obtain the divorce. There is certainly no intention of that happening. I am glad the hon. member did point out that possibility.

This policy, of course, would only be used to thwart attempts by people to put undue pressure on members of parliament. Certainly it would not be a policy designed to help the guilty.

In the course of my remarks I dealt somewhat with the hotel and motel cases and the law that pertains to the decisions in the provincial courts on the balance of probability. I said that whereas it has been assumed for a long time that if two people were found under suspicious circumstances in a hotel or motel it could be inferred they had gone there for the purpose of committing adultery it might now appear that they had gone for the purpose of acquiring evidence for a divorce. I merely raised the point to indicate the great reliance on the hotel and motel type of evidence that is prevalent all across Canada today. I certainly did not want to indicate that there was any such inference drawn in the provincial courts. However, it would be useful to point out that parliament, in dealing with divorce, does not act upon whimsy, upon whether it likes the colour of one person's eyes or dislikes the colour of another person's eyes.

It is true that we do have the power to be whimsical in our decisions if we so choose. However, it has been the practice for years, in the other place and in the House of Commons, to determine these cases upon legal principles and to follow the reasoning that is applied in courts of justice. In that way we give citizens who come here petitioning for relief no more rights than they would have if they had gone to provincial courts. On the other hand, we give them no less rights.

It has been the practice in our committee, for example, to have the services of Dr. Maurice Ollivier and Mr. Robert J. Batt. They are in attendance at our meetings so that we may be properly instructed on the law whenever the need for instruction arises. I made my point that the law could sometimes take a different view of what went on in hotels and motels not to indicate that any such inferences were now being made from these hotel and motel cases. However, at some future time some court might very well consider the whole matter, and consider modern times and modern trends as compared to what went on 100 years ago, and might lay down some judicial principle that hotel and motel evidence could not be regarded as qualifying for the granting of a divorce. That day has not come but I believe that some day a court will have to encounter it. If the law is changed in that regard, then I would point out that we will be so advised, both here and in the other place, and we will have to act accordingly. We shall be guided by any new legal principles that come along.

The hon. member for Timiskaming (Mr. Peters) and the hon. member for Davenport (Mr. Morton) made strong pleas to get these cases out of parliament and out of the House of Commons. I make only a very brief comment on that. Under the British North America Act divorce jurisdiction became a matter for parliament, something that the fathers of confederation conceived in their wisdom. Over the years arrangements have been made so that in eight provinces these cases are heard in the courts, but this is not so in the province of Quebec or the province of Newfoundland. I think the people who make suggestions about removing divorce jurisdiction from parliament in these two cases are perhaps blinding themselves to reality.

We are dealing with matters belonging to two particular provinces. If we had before us suggestions from members of those particular provinces that they would like the cases so removed, perhaps we would be farther along the road to the day when parliament would not have to deal with divorce. It seems to me that to make these suggestions now is rather dangerous. I know that as a member from Nova Scotia I would be rather wrathy if someone from British Columbia were to come along and suggest how we should run affairs in Nova Scotia. I am sure the same reasoning would apply to a gentleman from one of these provinces if such suggestions were made by someone from another province. I think that this matter of parliament divesting itself from divorce jurisdiction, if it is ever to be dealt with properly, the suggestion and initiative for that sort of action must come from the responsible people in the two provinces concerned.

Several of the speakers in the debate last week, Mr. Speaker, mentioned some of the problems in connection with the work of the committee itself. I do not intend to deal with them before the house. There will be changes suggested in the committee and hon. members will have an opportunity there to discuss them.

There is one final point. One of the speakers last week made a suggestion that contentious divorce cases were being decided last session along party lines in the House of Commons when they came to a vote. As I recall those two cases, that was certainly not what happened. Except for the two members of the C.C.F. who tended to stick closely together on one side of the case or another,

the members of other parties were split in opinion as between one side of the case or the other.

Motion agreed to.

MARIE CORDELIA MARIE-ANGE PIGEON GABORIAU DIT LAPALME

On the order:

Second reading of Bill SD-12, an act for the relief of Marie Cordelia Marie-Ange Pigeon Gaboriau dit Lapalme.

Mr. Speaker: As there are a number of divorce bills standing on the order paper for second reading, is it the pleasure of the house that the bills be taken in one motion?

Mr. Broome: With the exception of Bills SD-19 and SD-20, Mr. Speaker.

Mr. Speaker: Is it the pleasure of the house that the remaining bills be taken in one motion?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Bill SD-12, for the relief of Marie Cordelia Marie-Ange Pigeon Gaboriau dit Lapalme.—Mr. McCleave.

Bill SD-13, for the relief of Jeannine Genevieve Jagelavicus Kusleika.—Mr. McCleave.

Bill SD-14, for the relief of Viola Bleier Josephovits.—Mr. McCleave.

Bill SD-15, for the relief of James John Thompson Keay.—Mr. McCleave.

Bill SD-16, for the relief of Constandina Alimanisteanu Butas.—Mr. McCleave.

Bill SD-17, for the relief of Viola Gertrude Elizabeth Boyd Theroux.—Mr. McCleave.

Bill SD-18, for the relief of Sydney Arthur Powell.—Mr. McCleave.

Bill SD-21, for the relief of Geraldine Joy Conway Cook.—Mr. McCleave.

Bill SD-22, for the relief of Joan Natalie Miller Martin.—Mr. McCleave.

SECOND READINGS—SENATE BILLS

Mr. R. J. McCleave (Halifax) moved that the following bills be read the second time.

Bill SD-19, for the relief of Ruth Georgina Potts Dobie.—Mr. McCleave.

Bill SD-20, for the relief of Patricia Burnell Fraser Rosensweig.—Mr. McCleave.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, with respect to Bill No. SD-19, there are certain elements that appear in the evidence which I think should be considered by the house. I might say first of all that I have no objection whatsoever to the applicant in this case being successful in her petition for a divorce. The evidence, particularly that with regard to the treatment of the child, leads one to believe that she should have had a divorce long ago. I have here the evidence taken before the divorce committee of the other place, and it would appear that the applicant applied for and received a separation order from the superior court of Quebec in the spring of 1954. That order made it mandatory that she be paid the sum of $25 a month for the support of the child. This money was paid for almost one year and then no further payments were made. The applicant did not press for further payments, being content to look after the child with the money that she herself earned as a saleslady. The startling point in the evidence is to be found halfway down page 12 where I find the following:

Q. I understand your daughter is at school, is that correct?
A. Yes.
Q. Has he—

Meaning the husband

—ever made any inquiries about his daughter at all?
A. Nothing at all.

In other words, for three years he has paid nothing for the support of the child and has made no attempt to maintain any normal contact with the child whatsoever. However, in spite of these circumstances and the background of the case it is still true that when you read the evidence you see that it is strictly circumstantial. As I am not a lawyer like the chairman of the private bills committee, the taller member from Halifax, I am not sufficiently versed in the law to know whether the circumstantial evidence offered is good or not good. Having read it myself, I consider it to be satisfactory but nevertheless it is still circumstantial evidence.

This case has one advantage. Instead of being the stereotyped motel or hotel type of case such as come before the unfortunate members of the private bills committee in great numbers, this case happens to have authenticity and a ring of truth about it because the events took place in the gentleman's apartment. I listened to the hon. member for Halifax (Mr. McCleave) when he spoke a few days ago on the occasion of the first series of divorce bills coming before the house. He said then that he thought that the people of Newfoundland and Quebec would resent any change in the present method of handling these cases. I wonder whether that is quite true. After all, divorces are being granted to residents of Newfoundland and Quebec. It is a fact. These divorce cases come here, are reviewed very thoroughly in the other place, are given as much consideration as we can

possibly give them and are processed rather quickly considering the amount of work involved, but this is still not the right way to deal with the matter.

The two provinces concerned have said that parliament should handle this type of business because they do not want anything to do with it. However, since other provinces have established a procedure for the handling of divorce cases, is it not within the power of parliament to set up a special divorce court?

Mr. Speaker: Order. I am not quite sure what relevance there is in what the hon. member is saying to the case of Ruth Georgina Potts Dobie.

Mr. Broome: I was just coming to that, Mr. Speaker.

Mr. Speaker: I hope the hon. member will come to it very quickly.

Mr. Broome: The present procedure must be an extremely costly process for the applicants and I would think that any other method of dealing with these cases would result in their being dealt with more expeditiously and efficiently and at much less cost to the applicants than under the present system. I suggest that the private bills committee should give consideration to what remedy can be proposed for dealing with such cases as this one and the hundreds of others which will come before us during this session. I think that is all I wish to say on this subject, Mr. Speaker, except that I am forced to be a member of the private bills committee and I wish the committee did not have to consider these cases. Necessary and essential as it is that these people shall receive relief, I also think it is about time that we took another look at our divorce laws in general—this is where I may be irrelevant—to see whether we are really in tune with the times.

Mr. John Drysdale (Burnaby-Richmond): Mr. Speaker, I rise at this time to make a few comments on this particular divorce bill. The unfortunate aspect of divorce bills is perhaps the suffering involved, the sympathy that goes to the individuals concerned and the fact that in having to come before parliament as they do they are engaged in a sort of parliamentary Russian roulette in the sense that when petitioning for a divorce these people never know which particular bill is going to be picked on by members of parliament.

I have occasion to disagree with the hon. member for Halifax (Mr. McCleave) in a sense when he said that only the members from Newfoundland and Quebec were interested in divorce matters before parliament. I feel that this is a matter of interest to all members of parliament because it is the entire parliamentary time that is being taken up and not just that of the provinces of Newfoundland and Quebec.

As the particular divorce before us, the facts indicate that the petitioner was married on November 5, 1940, separated from her husband in September, 1953, and there was a separation judgment in the spring of 1954. I think perhaps the most justifiable item in all the evidence dealing with the divorce is succinctly expressed in the statement found at page 12. It was a question by Senator Barbour to the petitioner which went as follows:

> Q. Would you take your husband back now?
> A. No, I wouldn't.

In reviewing the evidence contained in this report I think that is perhaps the most valid grounds for granting the divorce. The hon. member for Vancouver South who preceded me said he did not wish to speak on the matter of the evidence. However, I feel that that is a matter of a great deal of importance since, as the hon. member for Halifax pointed out to us, we in parliament are sitting in a sense in a judicial capacity and all we have before us in most instances is the evidence presented by the Senate. From that we go through a feat of logic and try to ascertain whether or not we would be justified logically, and perhaps morally, in granting the specific divorce.

In the present situation, the investigation went on over a period from July 4, 1958, to September 14, 1958. The only relevant dates seem to be September 12, which was a Friday, and September 13 and September 14 which, of course, were Saturday and Sunday consecutively. The first investigator said that he had received a call, I believe it was, about two o'clock in the morning—this is on the morning of September 12—from his co-investigator to the effect that there was somebody in the respondent's apartment. The evidence stated that a woman had been seen in Mr. Dobie's apartment since late in the evening and it seemed that she was still there. He had not seen her leave. That is the first evidence that we had as to the woman named being in the particular apartment. They renewed their vigilance on Saturday, September 13, at nine o'clock in the morning and apparently the only evidence there was that they saw the lady go into a supermarket, returning with some groceries and then go into the apartment.

One of the difficulties in the feat of logic that we are asked to perform in the present case is that it is not indicated as to how many entrances there are to the apartment. Only one entrance is mentioned and apparently the apartment is located on the ground floor. It also apparently goes into some two

or three other apartments. But the vigilant private investigators have not mentioned in the evidence whether or not there was a back door and whether the woman named might have been leaving and coming in by another exit. They spent apparently most of Saturday carefully watching the apartment and they stayed watching it until 2.15 a.m. in the morning. Then one of the investigators apparently at 2.15 in the morning, decided that there was no point in remaining further, that there would be no further developments. Apparently this shrewd investigator decided —evidently it was an apartment where I imagine the blinds are pulled—that eight o'clock in the morning was perhaps the time to come back. But then on Saturday, apparently being rather early risers, the first and second investigator met at 8.05 in the morning and in the words of the evidence of one investigator:

> After discussing the situation we decided to risk a contact, so we knocked on the door of Mr. Dobie's basement apartment. At first there was no response. We could hear somebody moving around very quietly inside, and I called through the door and asked for Mr. Dobie, and a minute or two later he came and said, "Who is it?"—

And so on. So from the time there was a knock on the door there was an interval, according to the investigators, of one or two minutes. Then the investigators, being rather ingenious individuals, managed to think of an excuse to get into the bedroom to make a telephone call and, arriving in the bedroom, of course found the lady in bed. It was a double bed and she was apparently alone at the time. The interesting thing about the evidence which I think would be fairly important is that the investigator said:

> From what we could see she didn't seem to have any clothes on at all.

Although it is stated that she had a blanket surrounding her. They went on to mention that there were several articles of underclothing distributed around the room and that there was a pair of trousers on the dresser. But from the evidence presented, I am unable to ascertain whether Mr. Dobie answered the door without his trousers or whether in fact he had a suit with two pairs of pants. The investigator never thought to clarify the situation as to Mr. Dobie's apparent state of dress or undress. If the circumstances of adultery are as alleged, then Mr. Dobie must have dressed very quickly from the time they knocked in order to arrive at the door in a habitable state. This, Mr. Chairman, is the only indication and the only evidence that we have that there was adultery. There was a knock on the door. The gentleman answered very promptly. There was a lady in the other room in bed who may or may not have been undressed. This is presented to us on the basis, of course, that there was adultery involved.

I worry a great deal about our responsibility because in a sense we are a judicial body. If I may, I should like to turn briefly to what the legal situation is on the evidence of adultery. I should like first of all to refer to the "Canadian Encyclopedic Digest", the Ontario edition, at page 194, where we find the following:

> Even though the charges of adultery are not denied they must be proved to the satisfaction of the court. The burden of establishing adultery always rests on petitioner.

Then Power, in his excellent book on divorce, disagrees to a slight extent on the onus of proof required as suggested by the hon. member for Halifax. It is with respect that I quote this authority. Power, in "The Law of Divorce in Canada", at page 310 states as follows:

> Even though the charges of adultery are not denied they must be proved to the satisfaction of the court.

Then there is a quotation from the judgment in the case of Sandler v. Sandler, Davies and Johnstone (1934), Probate 149. This is by Sir Boyd Merriman:

> In matrimonial causes there is a third party who is even more vitally concerned, perhaps, than the two parties themselves, the state. It is regarded as a matter of public importance that the marriage tie should be maintained and that dissolution of the marriage should only be decreed on grounds allowed by the law.

Then in Russell v. Russell (1924) Appeal Cases 687, Lord Summer states as follows:

> They—

That is the judges.

> —watch the admissibility of the evidence tendered in undefended divorce cases as vigilantly as if they were protecting the interests of a prisoner undefended by counsel.

Perhaps on the point I referred to as to the burden of proof I may refer to the "Canadian Encyclopedic Digest" at page 196:

> The standard of proof in Ontario is not that imposed on the crown in a criminal prosecution, but is the standard required in a civil action only. The judicial mind must be "satisfied" that the act of adultery was in fact committed, but it need not be satisfied to the extent of a moral certainty as in a criminal case. Evidence that creates only suspicion, surmise or conjecture is of course insufficient. It is necessary that the quality and quantity of the evidence be such as to lead the tribunal, whether judge or jury, acting with care and caution, to the fair and reasonable conclusion that the act was committed.

Reference was made on the same page to a case where the plaintiff's husband deliberately brought a strange woman into the house and got her to undress and get into bed with

him at a time and place when they were sure to be discovered by the plaintiff, and it was held that the inference that adultery had been committed was so weak and improbable that it could not be found as a fact to have been committed. In those circumstances we have both people in bed together at the same time.

May I refer again to page 197 to another case where the court did not infer adultery from the mere fact that the respondent wife, who had separated from her husband, visited the co-respondent several times at his home to do washing and cooking for him, and occasionally stayed overnight, which is a case somewhat parallel with the one before us.

One of the most important aspects is the question of the professional investigator, which is the only evidence before us here. Again in the "Canadian Encyclopedic Digest" at page 198 it is stated:

> The evidence of a professional investigator, who is engaged in the business of seeking out acts of misconduct on the part of persons against whom it is desired to institute action for divorce, if uncorroborated by evidence other than that of his own employee, will be scrutinized very carefully; and where such evidence is not conclusive of adultery, but at best shows imprudent conduct on the part of those implicated and an opportunity to commit a matrimonial offence, the action will be dismissed.

So I feel that on the basis of the evidence that we have before us as parliamentarians, if we were acting as judges in the instant case, we would not grant the divorce. I feel, with the difficulties of the case before us, it would be sufficient for us, as parliamentarians, to grant the divorce on the mere fact that the parties are separated and obviously cannot get along together, without going through the rather unusual manoeuvres, shall we say, to obtain the evidence necessary to try and satisfy parliament. I feel, it is indicative of the fact, as mentioned by the hon. member for Vancouver South (Mr. Broome), that either we should stop having divorces from Quebec or Newfoundland, or in the alternative there should be a separate court which will be in the position adequately to investigate and ascertain that the divorces were granted. Because, as I mentioned earlier, there is an obligation not only to the individuals concerned but also to the state to see that justice is done.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, the hon. member for Burnaby-Richmond (Mr. Drysdale) who has just taken his seat, and the hon. member who preceded him, have both made reference to Newfoundland and Quebec so far as divorce cases coming before parliament are concerned. As a member from Newfoundland, and also as one of the Newfoundland members on the miscellaneous private bills committee, I feel that I should say a few words in reply to the statements that have already been made.

Mr. Speaker: Before the hon. member proceeds, I took some exception to the broader discussion which the hon. member for Vancouver South (Mr. Broome) was embarking upon. The hon. member who has just taken his seat stuck pretty closely to Bill No. SD-19. I am not sure whether the hon. member who now has the floor was in the house when we first had divorce bills before us this session. There was a debate on procedural matters which went some distance, but I think went as far as it could usefully go having regard to the fact that we are considering individual divorce cases. It is almost six o'clock, but I thought I had better warn the hon. member that I would not look with favour on a discussion of the general procedure in divorce matters when we are dealing with these two specific bills.

Mr. Carter: Mr. Speaker, I of course bow to your ruling without any reservation whatsoever, but since the statement was made that the time of the house was being taken up with divorces coming from Newfoundland —I think the hon. member for Halifax (Mr. McCleave) said that it only concerned members from Newfoundland, and the member for Burnaby-Richmond (Mr. Drysdale) said it concerned everybody because our time is taken up unnecessarily—

Mr. Speaker: I think the hon. member must be talking about other bills, because Bill SD-19 comes from Quebec and Bill SD-20 seems to come from Quebec also. So his province is quite clear of any blame with respect to these two bills.

Mr. Carter: I do not know what bill the hon. member who has just taken his seat was speaking to, Mr. Speaker, but I am speaking to the same one and I was dealing with statements he made at that time.

Mr. Speaker: I think the hon. member would like to call it six o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the leader of the house what the business is for Monday?

Mr. Green: Mr. Speaker, on Monday we shall have private members' day, and on Tuesday commence with the supplementary estimates. Then follows item No. 5, the resolution concerning the St. Lawrence Seaway Authority Act; item No. 6, the resolution concerning the Northwest Territories Act;

item No. 3, the resolution concerning the National Defence Act; and item No. 1, the resolution concerning the Fisheries Improvement Loans Act. Then item No. 8, the resolution concerning the Federal-Provincial Tax-Sharing Arrangements Act. Then there is a resolution on *Votes and Proceedings* for the day dealing with parliamentary secretaries.

Mr. Chevrier: I am sure that will be of interest to the house.

Mr. Green: Yes. This I expect to be the program for Tuesday and Wednesday, and on Thursday we will take the resolutions concerning the National Housing Act and the Trans-Canada Highway Act; and if there are current estimates under consideration next week, they will probably be those of the Department of Agriculture.

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

Supply—Items Passed

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

DEPARTMENT OF FISHERIES

Field Services—

Fish culture and development branch—

704. Construction or acquisition of buildings, works, land and equipment—further amount required, $55,000.

DEPARTMENT OF JUSTICE

A—Department

705. Departmental administration—further amount required, $15,200.

706. Remission service—further amount required for Parole Act administration and to authorize the expenditure, for the purposes of the said Act, of moneys provided for the remission service by the Appropriation Act No. 5, 1958, $28,000.

B—Penitentiaries

707. Operation and maintenance of penitentiaries —further amount required, $151,394.

708. Construction, improvements and equipment—further amount required $67,520.

HOUSE OF COMMONS

Monday, February 16, 1959

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

ESTIMATES—MOTION FOR CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. A. R. Smith (Calgary South) moved:

That the first report of the standing committee on estimates, presented to the house on Thursday, February 12, 1959 be now concurred in.

Mr. M. W. Martin (Timmins): Mr. Speaker, once again we in this group would like to state our position in regard to this motion, and of course in regard to all similar motions. We have stated our case on other occasions, but I believe it serves a good purpose to take this occasion to state it again.

I realize that the Prime Minister (Mr. Diefenbaker) gave us an assurance the other day in this respect, and I wish to place on record at this point some of his remarks as they appear in *Hansard*. These are appropriate, I believe, and relate to the motion I intend to move. As found on page 989 of *Hansard* he is reported to have said:

—and I shall make it very clear that whenever the hon. members of this house fairly and responsibly find themselves in a position in which an injustice is being done in any way and the matter is brought to my attention, I shall do everything I can to rectify it.

Again, on the following page he went on to say:

I for one will say unequivocally that if at any time there is any action taken that would deny members of the opposition a fair opportunity of discharging their responsibility, I shall immediately see to it that a change is made in order to assure justice and fairness.

These words are very reassuring, Mr. Speaker, but I do not believe that is the way it was intended that parliament should be run. It is fine to have the assurance of the Prime Minister. He has certainly demonstrated in the past that he is very capable. He has certainly demonstrated that he has the loyalty and devotion of the members of the government. But there is one thing that we must always keep in mind, Mr. Speaker, and that is that individual members may come and go but governments keep on going. I am reminded of the immortal words of the poet Gray in his "Elegy in a Country Churchyard":

The boast of heraldry, the pomp of pow'r,
And all that beauty, all that wealth e'er gave,
Await alike the inevitable hour:
The paths of glory lead but to the grave.

In a recent television interview, Mr. Speaker, conducted by Mr. Pierre Berton, a personality in this country said that in his opinion the Prime Minister suffered from an enormous ego, and certainly the remarks contained in *Hansard* for last Friday bear out this point. I say it is far better that parliament itself should decide these things rather than any one individual, however capable he may be or however much loyalty he may command.

Certain rules have been laid down for the conduct of the business of this house. There must be a reason for them, and I think it is regrettable that it is becoming so habitual for these rules to be amended automatically at the first opportunity that arises in the house. I believe the rules of this house should be observed. Whenever the occasion and the need arise I am sure parliament will grant permission for these committees to sit while the house is sitting. I do not think this right should be granted automatically before the occasion has arisen.

For that reason, Mr. Speaker, I move, seconded by the hon. member for Vancouver East (Mr. Winch):

That the motion be amended by deleting the words "now concurred in", and substituting therefor the following:

"Referred back to the said committee with instruction to amend the same by deleting therefrom paragraph 3 which reads as follows: That it be authorized to sit while the house is sitting."

Mr. Chevrier: Mr. Speaker—

Mr. Winch: May I speak as seconder of the motion?

Mr. Murphy: Sit down.

Mr. Speaker: The hon. member for Laurier.

Mr. Winch: I just want to protect my right to speak.

Mr. Murphy: You do not know what your rights are.

Mr. Winch: As seconder of the motion, do I lose my right to speak?

Mr. Speaker: The hon. member knows the rules of the house. A speaker who is recognized by the chair has the floor.

Mr. Murphy: He would not know.

Mr. Speaker: In due course the hon. member will have his opportunity.

Hon. Lionel Chevrier (Laurier): I do not want to delay the house for any length of time on this matter, Mr. Speaker. All I wanted to say was this. We made our position on this matter quite clear the other day, and that position obtains now as it did then. I have no intention of repeating what I said on that occasion.

An hon. Member: I hope so.

Mr. Chevrier: My hon. friend says "I hope so". I would remind my hon. friend that I am within my rights in discussing the matter at this time. I think it ill becomes those who continually interrupt when members of parliament on this side rise to try to make their position clear.

The position I am trying to take is not a new one, but I should like to repeat what was said on an earlier occasion and to do so as briefly as I can. I had risen, sir, to say that our position today is the same as it was on Friday last, and it is going to be the same on all these motions that are on the order paper. I do not want to take up an undue amount of the time of the house on this particular occasion, other than to say that our position now is the same as it was on Friday.

Mr. Harold E. Winch (Vancouver East): I desire to say a few words on this motion. In so doing I want to make it very clear to you, although I know it is not required, that when I speak on a principle in this house it is the same principle upon which I speak or take a stand when in committee. I was at the organization meeting of the standing committee on estimates. In that committee I expressed my objection in a very few words, and I voted against the inclusion of this recommendation in the committee's report.

The main reason I rise is not only to express my objection to this procedure of a committee meeting at the same time as the house, but also because of something which I feel should be drawn very specifically to your attention as Speaker of this house and therefore guardian of the rights of all members of this house. I presume, sir, that applies not only to the House of Commons but to the committees of the house. I am going to say directly that in my opinion there has been and there is a conspiracy—legal, yes—so far as the relationship of government members and opposition members is concerned in the committees of this house.

There have been occasions in the past when a standing committee, at its first meeting, has recommended that the standing order be suspended and the committee allowed to sit while the house is meeting. There may have been occasions when, at its first meeting, a committee has recommended that the quorum be reduced from that established by the standing orders. But, Mr. Speaker, I am certain that while you have had the honour of occupying the high position you now hold, that has not been customary.

But, sir, what has occurred? At every meeting of a standing committee for organizational purposes during this session, two typed and prepared motions have been presented. One has been to the effect that the rules be suspended in order that the committee may meet while the house is sitting, and the other has been for a reduction in the quorum established under standing orders. As the committee work proceeds it is eventually found necessary to reduce the quorum or, to stick to the words of the motion, to sit while the house is sitting. This should be done, sir, as it is found necessary.

I think you, Mr. Speaker, being so intelligent, will understand that something must have gone on. As a matter of fact, I understand unofficially that some of the chairmen did not know about these motions being prepared until they saw them in front of them on their agenda when the committees met. With all due respect to the magnificent men who are the clerks of our committees, may I say that it is not their responsibility to draft agenda or motions. Therefore there seems to have been some direction. Then there is the fact that every committee has done exactly the same thing, something which was never done before. I say that this looks like a conspiracy against the opposition. Mr. Speaker, it is not possible for members of the opposition to carry on right from the beginning with a gun at their heads, and I say "with a gun at their heads" advisedly.

Some hon. Members: Oh, oh.

Mr. Winch: You have not the right to sit on committees, Mr. Speaker, but I can tell you this. That huge majority which the government has operates in committees in the same way it operates on the floor of the House of Commons. I say to you, Mr. Speaker, that this is, for all committees at the same time, at the first meeting, a most unusual procedure. On the basis on precedents and on the basis of the true meaning of democratic parliament, as a member of this house speaking now as I voted in committee—thereby differing a little, may I say, from members of the official opposition who

speak one way in the House of Commons and vote differently in committee—

An hon. Member: Oh, put on a new needle.

Mr. Winch: —I submit most wholeheartedly that our amendment should be accepted. I submit that when circumstances or exigencies arise is the time for the committee and the house to give consideration to a reduction in the quorum and in particular to the question whether the committee should sit when the House of Commons is sitting.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, we are now having a repetition in part of the debate which was held on Friday when, as the hon. member for Laurier (Mr. Chevrier) points out, the case was thoroughly presented on both sides of the house. As a matter of fact the hon. member for Laurier drew attention to the fact that having committees sitting while the house is in session is not an unusual event. He said it is quite easy for a committee to take this power in the dying days of the session when it is perhaps necessary to do so.

From my recollection, one of the faults in the past has been that on occasion on some committees that was done in the dying days of the session and it just about killed off the members because provision had not been made earlier in the session for committees to meet when there was a little more leisure time. The provision that is in the resolution before us simply is an orderly method of conducting the business of the committees of this house. The power is there. It does not have to be used immediately. If in the opinion of the committee that power should be used, then the committee does not have to take the time of this house to come back and ask for a change in its instructions.

I cannot let pass without comment the remark of the mover of the motion to the effect that the rules of this house are amended automatically. That is something that has never taken place, Mr. Speaker, and I think the hon. member was quite out of order in making such a remark. There is no amendment of the rules of this house automatically, and there never has been.

The suggestion of the seconder of the motion to the effect that some conspiracy was entered into is, of course, just too ridiculous for any extended comment. This is just an orderly arrangement for the purpose of conducting the business of the house in a good manner. In the past the committees have either been given this privilege at the start of a session or later on. I have served on a sufficient number of committees of this house to know what I am talking about. When we were in opposition we had to work very hard, as I hope the present opposition will, to keep up with the business of the house, but we did not complain as they are complaining. The present motion, Mr. Speaker, asking that the committee be instructed to alter this report will, of course, not be acceptable to the government, and the motion I think should be defeated.

Mr. Peters: Before the last speaker sits down may I ask him a question. May I inquire if he could inform the house where the slips of paper originated from, if they did not originate in committee?

Mr. Churchill: I doubt, Mr. Speaker, if that is pertinent to the debate at all.

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

YEAS

Messrs:

Argue	Hardie
Badanai	Herridge
Batten	Howard
Benidickson	Leduc
Bourget	McIlraith
Bourque	McWilliam
Brassard (Lapointe)	Martin (Timmins)
Caron	Michaud
Carter	Nixon
Chevrier	Pearson
Crestohl	Peters
Denis	Pickersgill
Dupuis	Regier
Fisher	Richard (Ottawa East)
Gour	Tucker
Granger	Winch—33.
Habel	

NAYS

Messrs:

Aiken	Crouse
Aitken, Miss	Danforth
Allard	Deschambault
Anderson	Diefenbaker
Baldwin	Dinsdale
Baskin	Dorion
Beech	Doucett
Bell (Carleton)	Drouin
Bell (Saint John-Albert)	Dubois
Belzile	Fairfield
Bigg	Fane
Brassard (Chicoutimi)	Fleming (Okanagan-Revelstoke)
Brooks	Forbes
Browne (St. John's West)	Frechette
Browne (Vancouver-Kingsway)	Fulton
Brunsden	Grafftey
Cadieu	Grills
Campbell (Lambton-Kent)	Gundlock
Casselman, Mrs.	Halpenny
Chambers	Hamilton (Notre Dame de Grace)
Charlton	Hamilton (Qu'Appelle)
Churchill	Hamilton (York West)
Coates	Hanbidge
Comtois	Harkness
Cooper	Hees

Division

Henderson	Muir (Cape Breton North and Victoria)
Hicks	Muir (Lisgar)
Horner (Acadia)	Murphy
Horner (Jasper-Edson)	Nasserden
Horner (The Battlefords)	Nielsen
Howe	Noble
Jones	Nugent
Jorgenson	O'Leary
Jung	Ormiston
Kennedy	Parizeau
Kindt	Pascoe
Knowles	Paul
Korchinski	Pearkes
Lahaye	Phillips
Lambert	Pigeon
Latour	Pugh
MacEwan	Rapp
MacInnis	Rea
MacLean (Queens)	Regnier
MacLean (Winnipeg North Centre)	Richard (Kamouraska)
MacLellan	Robinson
Macquarrie	Rogers
MacRae	Slogan
McBain	Smith (Calgary South)
McCleave	Smith (Hastings-Frontenac)
McDonald (Hamilton South)	Smith (Lincoln)
McFarlane	Smith (Simcoe North)
McGee	Smith (Winnipeg North)
McGrath	Southam
McIntosh	Speakman
McLennan	Spencer
McPhillips	Stanton
Mandziuk	Starr
Martel	Stewart
Martineau	Stinson
Martini	Taylor
Matthews	Thomas
Milligan	Thrasher
Monteith (Perth)	Tremblay
Montgomery	Villeneuve
More	Weichel
Morissette	White
Morris	Winkler
Morton	Woolliams—138.

Mr. Speaker: I declare the amendment lost. The question is now on the main motion. Is it the pleasure of the house to adopt the motion?

Mr. Argue: On division.

Motion agreed to on division.

MINES, FORESTS AND WATERS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. J. W. Murphy (Lambton West) moved:

That the first report of the standing committee on mines, forests and waters, presented to the house on Thursday, February 12, 1959, be now concurred in.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: On division.

Motion agreed to on division.

BANKING AND COMMERCE—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. John B. Hamilton (York West, for Mr. Cathers) moved:

[Mr. Churchill.]

That the first report of the standing committee on banking and commerce, presented to the house on Thursday, February 12, 1959, be now concurred in.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: On division.

Motion agreed to on division.

MISCELLANEOUS PRIVATE BILLS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. R. J. McCleave (Halifax) moved:

That the first report of the standing committee on miscellaneous private bills, presented to the house on Thursday, February 12, 1959, be now concurred in.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: On division.

Motion agreed to on division.

AGRICULTURE AND COLONIZATION—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Hayden Stanton (Leeds) moved:

That the first report of the standing committee on agriculture and colonization, presented to the house on Friday, February 13, 1959, be now concurred in.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: On division.

Motion agreed to on division.

INDIAN AFFAIRS

LEGISLATION TO CONFIRM CANADA-NEW BRUNSWICK AGREEMENT RESPECTING RESERVES

Hon. E. D. Fulton (for the Minister of Citizenship and Immigration) moved the first reading of Bill No. S-6 (from the Senate) to confirm an agreement between the government of Canada and the government of the province of New Brunswick respecting Indian reserves.

Motion agreed to and bill read the first time.

THE MINISTRY

PROVISION FOR APPOINTMENT OF PARLIAMENTARY SECRETARIES

Right Hon. J. G. Diefenbaker (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to provide for the appointment of parliamentary secretaries to ministers, to provide for the payment of salaries to them at the rate of $4,000 per annum

out of the consolidated revenue fund and to authorize the reimbursement to them of reasonable expenses incurred by them in the discharge of their duties.

Motion agreed to.

MOTIONS FOR PAPERS

ST. LAWRENCE SEAWAY TOLLS

Motion No. 39—**Mr. Argue:**

For a copy of all correspondence, telegrams and other documents exchanged during the past two years, between the federal government and any provincial government, or agency of the government of the United States, with regard to the setting of tolls on the St. Lawrence seaway.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I have spoken to the hon. member, and the understanding is that he is interested in any official communications there may be between the federal government and any provincial government, or any agency of the government of the United States, and not in routine correspondence between departments or agencies of the government. Subject to this understanding and to the usual reservation as to the consent of any other governments concerned, there is no objection to the motion.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the reservations expressed by the minister?

Motion agreed to.

POSTAL SERVICE CONTRACT, CALEDONIA-MAITLAND BRIDGE, N.S.

Motion No. 40—**Mr. McWilliam:**

For a copy of all correspondence, telegrams and other documents exchanged since July 1, 1957, to date, between the federal government or any official thereof, and any person, relating to a contract for the carrying of mails between Caledonia, Queens county, Nova Scotia, and Maitland Bridge; Nova Scotia.

Motion agreed to.

CONCILIATION BOARD REPORT, NEWFOUNDLAND LABOUR DISPUTE

Motion No. 41—**Mr. Argue:**

For a copy of the report submitted December 4, 1958, by the conciliation board appointed October 28, 1958, to mediate in the dispute between local No. 2-254 of the international woodworkers of America, and the Anglo-Newfoundland Development Company, Limited.

He said: Mr. Speaker, I have discussed this motion with the Minister of Labour and I would ask permission to have it dropped.

Mr. Speaker: Has the hon. member leave to drop this motion?

Some hon. Members: Agreed.

Order discharged and motion dropped.

NEWFOUNDLAND—USE OF R.C.M.P.

Motion No. 42—**Mr. Argue:**

For a copy of the contract entered into by the federal government and the government of Newfoundland, concerning the use of the Royal Canadian Mounted Police in Newfoundland.

Motion agreed to.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, in compliance with the order of the house I now table two copies of the said contract.

LABOUR DISPUTE, NEWFOUNDLAND

Motion No. 45—**Mr. Argue:**

For a copy of all correspondence, telegrams, or other documents exchanged between the federal government or any agency thereof, and the government of Newfoundland, the Anglo-Newfoundland Development Company Limited, or the international woodworkers of America, regarding the dispute between the Anglo-Newfoundland Development Company Limited and the international woodworkers of America.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, this motion is agreed to subject to the usual agreement on the part of the province concerned, but I should like to tell the hon. member that to my knowledge there has been no exchange of correspondence between the federal government and the government of Newfoundland with regard to this matter.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the limitation imposed by the minister?

Motion agreed to.

SPORTS

PROPOSED ESTABLISHMENT OF COUNCIL TO ENCOURAGE AMATEUR SPORTS

Mr. J. R. Taylor (Vancouver-Burrard) moved:

That, in the opinion of this house, the government should give early consideration to the advisability of establishing a Canada sports council with the object of fostering and encouraging amateur sport in Canada, such council to have representatives from each of the provinces of Canada.

He said: Mr. Speaker, I welcome the opportunity to speak on this most important public matter. It was just a little over two years ago that the prime minister of the day rose in his place and gave, in a most refreshing manner, the reasons why it was necessary to establish the Canada council. The Canada council was established, as you will recall, to assist the arts, humanities and social sciences.

The reasons advanced by him then for the establishment of the Canada council are

the same reasons that can be advanced for the establishment of a Canada sports council. If there was a need for a Canada council, then I submit that there is an even greater need for the establishment of a Canada sports council, because we are dealing with the health and fitness of the people of the nation. I do not know who said it, but it is true that a nation's health is a nation's wealth and we should not forget it.

In reading *Hansard* for January, 1957 I noticed that practically all members on both sides of the house strongly supported the establishment of the Canada council. The then prime minister also pointed out that practically all thoughtful Canadians who are really concerned about the future welfare of Canada also strongly supported the council. In reading the debates of that day I noticed also, Mr. Speaker, that the present Prime Minister spoke in favour of the formation of the council. He went on to say:

> Indeed, the question has been asked on numerous occasions since 1951, why has the government delayed so long in the setting up of this council?

I do hope that all hon. members and the Prime Minister will have the same feeling toward the establishment of this sports council. I am sure that the early establishment of a Canada sports council would be welcomed in all parts of the country. I am sure also that under the inspiring leadership of the Prime Minister, early and sympathetic consideration will be given to this important matter.

In glancing at the first annual report of the Canada council one would seem to find confirmation of the views and opinions of those who advocated the council. I notice on page 20 of the first annual report of the Canada council the following:

> In not a few places it has been gratifying to hear those responsible for local organizations say that in consequence of the council's help and recognition, local financial support has been increased and attendance enlarged.

The report goes on to say that during the 1957-58 season the council supported seven symphony orchestras. While the number of regular concerts given was the same as in the previous year, the number of performances for children and others was almost doubled, increasing from 93 to 175, and the total attendance increased from about 320,000 to an estimated 477,000. I am sure that if hon. members will support the establishment of a Canada sports council, the first annual report of the proposed new organization will be equally glowing.

I do suggest that if the sports council is formed the one paramount rule should be that the organization be as free from state control as it is prudent for any body to be that is entrusted with public funds. I would further suggest that the general rules which now apply to the Canada council also apply to the proposed Canada sports council, with of course minor changes. I do suggest also, Mr. Speaker, that representatives from each province of Canada be appointed so that the organization will be a truly representative one.

The persons chosen, I submit, should be familiar with the great problems now facing all athletic clubs and all athletic associations from one end of the country to the other. The persons chosen should be prepared, I submit, to devote much time to the youth of Canada who desire to play games in national and international competition.

Now, Mr. Speaker, no one could go wrong in considering such men as Mr. Bob Osborne of Vancouver or the former mayor of Vancouver, Mr. Fred Hume. Then in Alberta there is one man who stands out, namely Mr. Mervin Dutton, who could add a great deal to such a council. The prairie provinces and Ontario could certainly contribute many worth-while people to serve. We could also well consider Mr. Melville Rogers of Ottawa, who has long been associated with the problems and issues facing athletic organizations in Canada. Then when you consider Quebec there are names that stand out as possibilities. I would suggest men like Cooper Smeaton, who has long been associated with the amateur athletic union of Canada. One of the members of the Molson family might also be a possibility, and there are men like Mr. Andy O'Brien, who has probably travelled with more Canadian teams than any other person in the country.

I do say, Mr. Speaker, that if help is given no one need fear any longer that Canada will rank behind England, Australia and South Africa. I feel that if help is given, at the next British Empire games Canada could possibly pull ahead of South Africa. If help is given possibly this country could once again see a truly national junior hockey final. The same remarks would apply to lacrosse. If help were given, I feel sure that we could do better in Davis cup play. We could do so much to encourage people to play badminton and so many of the other amateur sports.

One might ask, Mr. Speaker, how amateur sport is doing in Canada without adequate federal assistance. In summary, I would say that Canada is faring very poorly. For example, just last summer at Cardiff Arms park in Cardiff, Wales 33,000 spectators watched the closing events of the British Empire games. There were 250 reporters in the press box covering the activities of some

1,500 athletes from 35 countries. I submit that Canada put on a drab display. Canada's one gold medal came in rowing. In the final point standings we ranked fourth, well behind South Africa and a mere 100 points in front of Pakistan and the host country, Wales.

At the last Olympic games held at Melbourne in 1956, Canada gained only 52 points to place 16th amongst 44 nations. Hon. members will recall that last year in Davis cup tennis we played against a United States team that was virtually untested, and the United States team made a clean sweep of the five game series.

After the 1948 Olympic games, in fact after the 1952 and 1956 Olympic games, considerable publicity was devoted to what was called Canada's inadequate showing. I say to all hon. members that when thousands of people gather in stadia in so many different countries to witness our athletic representatives, and when so many millions of others see our representatives on television, being second rate is bad business. Some believe that at Wales we ran into bad luck. I say to you, no matter how you look at it, we simply seem to be bad; and what is more, we seem to be getting worse.

Mr. Andy O'Brien of *Weekend* magazine, the person who probably is best able to report on this sort of thing, has said that even in hockey, our best sport, he feels that our supremacy has not long to survive. Then in the gallery today there is Mr. Taylor, senior, who proceeded last year with the Kelowna team to Russia, and who I am sure was impressed with what he saw in that country in so far as athletic events were concerned.

In the first game there he saw the Canadian team go down to defeat before 17,000 Russian hockey fans by a score of 4 to 3. The press report said that the Russians outpaced and outskated the Canadians and generally outshot them. In the second game there was a tie. In the third game there was a tie. In the last two games Canada was able to beat Russia. Bobbie Rosenfeld, the sports reporter, who was an outstanding Canadian athlete—in fact the outstanding Canadian athlete of the half century—stated:

> We've been waiting desperately for something to cheer about ever since 1928 at Amsterdam—

Of course she was writing in 1952.

> —when the lean and hungry looking Percy Williams popped the eyeballs out of the athletic world . . . We have been left wallowing in the wake of other more energetic nations who have become activated with the spirit of competition. Since the last Olympics, many countries, refusing the role of also-rans, have introduced development programs, with all athletes—junior and senior—tabbed. These countries have also set up a centralized coaching system which is most prominent in track and field and swimming.

She said that a survey should be made of Canada's athletic needs and problems and the talent available at the present time. She said also that we should have a development program. I should like to suggest that we get cracking and give our athletes an even break.

Then I noticed an article in the *Canadian Commentator* written by Mr. A. D. White, who is a popular and successful coach at the University of Toronto. Mr. White delivered a paper at the Couchiching conference and he said this when referring to the Olympic games:

> It appears that in Canada there is little understanding of the professional calibre of this international sports show in which our athletes seem so poorly equipped to compete.

One interesting observation was this:

> Some observers have interpreted our results at the games as an indication that the Canadian population is below par, physically.

If we are below par physically, Mr. Speaker, something ought to be done about it at an early date. I am sure all hon. members know the poem which goes like this:

> But when that One Great Scorer
> comes to write against your name,
> It's not whether you won or lost
> but how you played the game.

But as so many Canadians see it today, in international sport we have been become chronic good losers. There are too many Canadians, Mr. Speaker, who belong, I suggest, to the cult of "good losemanship". I am sure that all hon. members and for that matter ministers are tired of appeals being made to them for federal funds to assist travelling clubs. The creation of a Canada sports council would not end all the appeals, but at least the athletic governing bodies would be able to police themselves better and the essential things could be taken care of. That is what the Canada council has found to date. The council cannot take care of all appeals, but the essential things are taken care of.

Since last November I have received, as I imagine all hon. members have, letters from various athletic clubs throughout the country. There was an appeal made by the team that represented Canada in Moscow. In fact in connection with that appeal it looked just before they left as though they would not get sufficient money, and the officials were almost on the point of calling it off. We who live in the west witnessed the team having to go and play a number of exhibition games in order to raise funds, and one player remarked that the players were in a state of exhaustion before they ever left for overseas. I suggest that being in a state

of exhaustion is no way to represent Canada before thousands of hockey fans overseas.

Then there was the appeal of the basketball team that represented Canada in Chile. That team, like all of the other clubs, received no federal assistance. However, that team put up a remarkable showing in Chile; it went on to beat Russia and defeated Mexico. I am sure that the Canadian team in Chile made a great number of friends there and did a great deal to help Canadian businessmen.

Then there was the appeal made by the grass hockey team that was to represent Canada in a series of games against England, Scotland, Ireland, Wales, Belgium, Denmark, Holland, Germany, France, United States and South Africa. The officials of that club felt that the federal government would want to assist these travelling ambassadors in cementing the healthy relations established during their last international conference.

Then there was a further appeal by the rugby team that is to represent Canada in Japan. The officials of that club have pointed out the numerous advantages of sending them as a truly representative team from Canada. We all know about the appeal for federal assistance for the Belleville McFarlands hockey team. We are all aware of the trouble the team officials had to go to in order to raise money to get to the Olympics. I do not need to deal with the troubles they had, but hon. members will recall that bingo games had to be staged and an agency apparently had to be appointed to assist.

Other countries have recognized the problem, Mr. Speaker, and action has been taken. I refer first of all to the United States. Public law 85-365 is an act to authorize certain activities by the armed forces in support of the 8th Olympic games and for other purposes. Section 2 of that act passed by the United States congress authorized certain things to be done, in addition to constructing on federal land in Squaw valley an arena suitable for the conduct of sports, and providing for appropriate ceremonies in connection with the 8th Olympic winter games. When completed the arena becomes the property of the United States. There was authorized by section 4 of the act a sum not to exceed $3,500,000.

Another United States public law was passed, No. 85-449, which was a joint resolution of the eighty-fifth congress, to authorize the designation of the week beginning October 3, 1958, as national Olympic week. Here the President of the United States was authorized to issue a proclamation designating the week to which I have referred as national Olympic week and urging all citizens of that country to do all in their power to support the Olympic games, the Olympic winter games to be held in 1960, and the pan-American games to be held in 1959 at Chicago.

Then I notice, in making a review of the situation, that there were other public general bills of the United States. One, S-4038, authorizes the President to provide for tours of athletes from the United States to foreign countries, and to assist others in the United State. Then, as a matter of reference, there is another public law of the United States, No. 85-300, which authorizes construction, maintenance and operation by the armoury board in the district of Columbia in connection with the stadia in that district. It would appear that in the United States proclamations have been made almost annually by the president to assist amateur athletes in that country. I notice also, in making a review, that Russia, South American countries and England give much greater support to teams in international play and, as in the United States, the whole question of physical fitness is given active consideration.

Hon. members might like to know that in 1955 President Eisenhower called a White House conference to discuss the state of fitness of American youth. In 1956 the same president by executive order established the president's council on youth fitness, and in 1957 selected citizens were named to President Eisenhower's citizens' advisory committee. Other countries, Mr. Speaker, have realized that national prestige is increasingly associated with athletic showing.

Mr. Speaker, in order to assist all athletes, and at the same time improve the health of Canadians, I suggest the government should do the following. First, I think the Canada sports council should be established. Second, I feel that the government should request the council to survey the needs and basic requirements of our athletes. Third, I think the government should create a fund under the control of the council in the same way as with the Canada council, to assist amateur athletes. Fourth, I would suggest to the defence department that wherever and whenever possible this department should assist the amateurs.

Here, Mr. Speaker, I would like to mention that in the United States, for example, military transport will take athletes from all countries to the forthcoming pan-American games to be held in Chicago in August of this year, and return them free of charge by what is known as a friendship airlift. I understand, Mr. Speaker, that was inspired by the

U.S. state department. I suggest further that as the navy has to make trips to overseas ports, and as air transport has to make overseas trips, it might be feasible, say in 1960, to take such trips to Rome where the Olympic games will be held and transport the Canadian olympic squad to that event.

Fifth, I would suggest that the government proclaim once every four years an Olympic week, when citizens can be urged to support with money the Canadian Olympic team. Sixth, the government should forthwith help the city of Vancouver or other cities of Canada which apply to hold the pan-American games. If Chile can entertain this large sports event, surely Canada can also. Vancouver at the moment is very interested, but Vancouver officials will say they cannot go it alone but need federal assistance.

I also noticed, in connection with the games to be held in Chicago, that the United States congress had passed a bill to help that city. I would urge that we also give every encouragement to the Canadian team representing this country at Chicago next year. I would suggest further that we send a large group; and possibly, if this council can be appointed, that they work out a Canada day in downtown Chicago. I am sure that many Canadians who now live in that city would enjoy seeing a Canada day there. It could be arranged, and it would be nice to show them that we still have something to cheer about in Canada.

Seventh, I suggest that on celebrating our centenary in 1967 a special effort be made to be host to the Olympic games that year. Admittedly the games are to be held in 1968, but with an enthusiastic council possibly the Olympic committee could be persuaded to hold the games in 1967. Mr. Speaker, I suggest that anything is possible in connection with an event of this kind if we can get along with a Canada sports council.

Eighth, through the proposed council every assistance should be given to the hon. member for Calgary South, who is making such a wonderful effort to hold the winter Olympics at Banff in 1964 or 1968. Mr. McKay of that city and our colleague from Calgary South are doing a wonderful job for western Canada in this regard, and if they are able to hold the winter games at Banff it will do wonders for the whole of Canada. I believe it was that same combination that did so much to make the Grey cup classic what it is today.

There will be lasting benefits if Canada does hold the winter Olympics. One of them would surely be the reopening of the Banff Springs hotel. This, I suggest, would reverse the present trend of our skiing enthusiasts proceeding to the great resorts in the United States, and would attract American skiing enthusiasts and tourists to Canada. The benefits in this regard would be enormous, and with a sports council recommendations can be made to handle this sort of thing.

In the Vancouver area, Mr. Speaker, it is the most amazing sight. We lack snow close to Vancouver, and upwards of 5,000 skiers will go every week to Mount Baker, some short distance south of the United States border. That is an area which has been developed by the United States federal government. It is an odd sight to see Canadians using those ski facilities and outnumbering the Americans by about three to one. With a sports council, new ideas can be put forward as to how we can develop our Canadian resorts and thereby give employment to many, many people. I notice that some 700 people will be employed at Squaw Valley next year when the Olympic games are held there. Certainly large numbers of people will be employed in the Banff area and throughout British Columbia for that matter, if we get the winter Olympics in 1964 or 1968.

Then I suggest, ninth, that a national school for coaches be established by the senior government through the Canada Council. I suggest that coaches properly trained could do so much with the young people of Canada. Here would be a national program aimed at the masses. The health of Canadian youth would improve, and from the many we could select more super athletes for international competition.

Tenth, the senior government in its national parks could give every consideration to the construction and erection of those things which would encourage the youth of Canada to participate in outdoor activities.

Eleventh, the senior government could work out a plan with the provincial governments, using the council, for a similar works project in provincial parks. Further, capital loans at low rates of interest could be made to resort owners willing to instal equipment to meet the demands of outdoor sportsmen.

I suggest that as many government departments would benefit by a program of this kind there would be no need to increase taxation in order to raise the funds that would be required under the Canada sports council. I suggest that there should be a reassessment of the entire situation. For one thing, a healthier nation would lead to a reduction in the need for hospital and medical services. For this reason the Department of National Health and Welfare should contribute to the Canada sports council fund. Then there are tremendous economic dividends when Canada does well in international

play, and I suggest that the Department of Trade and Commerce be prepared to slice its budget in favour of making room for the Canada sports council. I do not know how many thousands of dollars they spent on the Brussells exhibit, but I suggest we spent little or nothing on such wonderful exhibits as Barbara Ann Scott, Anne Heggtveit of Ottawa and the Penticton V's. We spent little or nothing on the Penticton V's, yet this team thrilled all Canada and other countries besides. If the Department of Trade and Commerce appreciates all this, a contribution might well be made.

I suggest also that there might be a reassessment with respect to the national film board. I notice that this year 43 films in 15 languages were completed for distribution. As Canadian athletes do the same job, namely the job of selling Canada, surely it would be wise to permit a budget cut here in favour of the sports council. I feel also that a healthy contribution should be made by the Canadian Broadcasting Corporation. I suggest that a healthy council, properly endowed, might stop the decay of the muscle of our youth and reverse the trend, allowing us to keep up with the athletic advancement of other nations.

I think generally speaking we have treated our travelling ambassadors poorly. They go overseas badly equipped. They need much more in the way of suitable dress. I wish to compliment the officials and sponsors of clubs who do send these travelling ambassadors overseas, and I can hardly criticize them for doing a little bit of advertising on the side, but it is confusing to many sports fans overseas to see a maple leaf on the front of a sweater and find some advertising material on the back. I think in time this situation may get worse unless some federal assistance is forthcoming. It may well come to pass that we shall see such a sign as "Ace Beer" on the front of a sweater and "Acme Moving Company" on the back.

We must give more financial assistance to these clubs; otherwise they may well be forced to advertise. We do make blazers available from time to time, but if it is a rainy day blazers cannot be worn, and the athletes have no windbreakers or jackets to wear in substitution. Our sportsmen abroad often lack the means of exchanging the common courtesies. Most other clubs taking part in international competitions are able to supply what are called traders. They give away badges, pins, miniature flags and so on. However, our teams go overseas without that sort of thing, and many of our officials are embarrassed when we are on the receiving end and are not able to give such things in exchange.

[Mr. Taylor.]

Mr. Speaker, my time must be running out. In closing, may I say that I feel we should appoint this sports council and then go all out to celebrate Canada's centenary in 1967. I suggest that at an early date through the sports council we petition the pan-American games committee to have this great event here in 1967. As the Olympic games are to be held the following year, possibly the same plant and equipment could be used for both events. I suggest we tie in an athletic spectacle with a world's fair for Canada.

Here in Ottawa surely, as we are celebrating Canada's birthday, we might well be the centre of a great birthday party. The city certainly needs a larger and more modern sports field to hold national and international events. If a stadium could be constructed here for great national classics it might well be that the Grey cup game could be played in Ottawa in 1967.

These are some of the things that could be considered if we did get the type of man I have suggested on the sports council; and if it was properly endowed with funds that council would be able to do wonders for Canada.

(Translation):

Mr. Alexis Caron (Hull): Mr. Speaker, I should like to say just a few words in support of the resolution introduced by the hon. member for Vancouver-Burrard (Mr. Taylor). There is no doubt that the motion has much merit, for Canadian amateur sport seems to be somewhat on the wane. In the smaller communities, it is even difficult to keep it going at all. However, I cannot fully agree with the hon. member's suggestion that what is needed is a Canada sports council along the lines of the Canada arts council. In my view, there is an enormous difference between arts, public education, and sports.

Of course, I do not claim that sports should be neglected; on the contrary, to my mind, they should receive federal support. Our teams do not rank as highly as they should at Olympic or Commonwealth games because our sports organizations are not strong enough to enable players to train without holding a paying job somewhere, and are thus prevented from adequate, thorough training.

That is why I feel that the Canadian government should consider the advisability of setting up a Canada sports council to support amateur sport. However, I do not share the hon. member for Vancouver-Burrard's suggestions in regard to some persons who should be made members of the Canada sports council.

The hon. member seems to favour the appointment of certain professional sport magnates and promoters; that is exactly what is wrong with sports in Canada.

Professional sport magnates in Canada have such a grip on sports that they paralyse all amateur sports not under their control. In the field of sports Canada is faced with a certain form of slavery, due to Canadian professional sports magnates.

I could give several examples, but shall mention only two. Take the case of the "Canadiens" hockey team, whose directors have been unwilling for over three years to grant amateur status to a member of the team who has refused to be "demoted" to the "Royals", although amateur status would have enabled him to play in a lesser league in the area. In fact, he was to have joined the Hull Legion team. This he was not allowed to do because he had refused to play on a minor league team when he was the property of the "Canadiens". He was also prevented from playing on the Belleville team, which will be taking part in amateur competitions in Europe.

The same situation occurred in Toronto. An 18-year old student who had signed a contract with the Toronto team, was barred from playing organized hockey, for having made some unfortunate remarks about Mr. Connie Smythe; the latter decided that he would never be allowed to play in organized hockey. That young man was unable to play, much as he tried to get permission.

It is therefore necessary that the Canada sports council be empowered to reverse the decision of this dangerous organization of professional sports magnates, so that amateurs may, after playing for a season on a particular team, or having fulfilled a contract for a season or two, decide on the type of game they wish to play and choose the team they prefer to play on.

These are further reasons, Mr. Speaker, why we should establish a Canada sports council. That is also why I urge the government, if the proposal is carried, to see that professional sports magnates be kept out of this council, because they are the bane of amateur sports.

I therefore hope, Mr. Speaker, that the government will consider my remarks if ever the sports council is set up.

(Text):

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, one of the leading Brahmins of the world of culture, T. S. Elliot, wrote a book sometime ago called "Notes On The Definition Of A Culture" and it intrigued me that a man who is famous for having written some of the most obscure modern poetry should, in defining a culture, turn to sports so often to point out the depth of a peoples' culture. Events such as the cup final and the annual Oxford and Cambridge rugby classic were very much to the fore in his remarks on English culture in that book. If we look at the United States scene we can see that such national events as the Kentucky derby and the world series are a strong indication that sports have permeated their culture very deeply, and sports is a subject worthy of consideration in any national assembly.

What I wish to do in my remarks today is trace something of the history of sporting developments in Canada. I am amazed that the hon. member who sponsored this resolution made no reference to the National Physical Fitness Act of 1943 which was repealed in 1954 and I was equally amazed at his not mentioning the early attempts before world war I to set up forms of gymnastic sport by the federal government, which attempts failed as did the legislation to which I made reference. The hon. member did not make any sharp definition between an amateur and professional. The very thought of someone like Mervin "Red" Dutton serving on a national sport council sends shivers up my spine. The next thing we know, someone will suggest the name of an individual like Connie Smythe whose main philosophy with respect to sports is "if you can't beat them out in the alley, you cannot beat them out on the ice" and whose philosophy has some retrograde tendencies as far as amateur sports are concerned.

Mr. Stinson: Shame.

Mr. Fisher: One of the ideas implicit in the hon. member's resolution is that Canada must attain some status in the international field of sports and since sports have become a means by which a nation attains international status and recognition Canada has to get into the picture. Canadians suffer from a great inferiority complex toward the United States in the field of sports and we would have to overcome this. At one time back in the golden age of Canadian sports between 1870 and 1905 we did not have to take a back seat to the United States and as a matter of fact we were held up to them as an example. To illustrate this I have here a little poem written back in 1877 to commemorate the feats of Ned Hanlan who went to the Philadelphia centennial sporting events and then to

England where he distinguished himself. The poem is entitled "The Ode" and reads as follows:

Hail to the champion sculler,
Toronto's manly son,
Who, across the line and on the Tyne
Hath famous victories won.
And with three cheers for Hanlan,
The champion of the oar,
Let us shout, hurrah for Canada!
The land which such hero bore.

It is lousy poetry but the point is that it expresses the national sentiment that is involved in the hon. member's resolution. There have been a great many silly things attributed to sports in Canada. One myth that is encountered on the sports page of almost any newspaper from time to time is that lacrosse is the national game of Canada. According to some accounts an act of this house was passed on July 1, 1867 making lacrosse our national game. That happens to be a pack of nonsense but no one has ever explored the question in an effort to understand how the idea developed. Lacrosse is one of the most fascinating examples of what happens to sports in Canada.

I suggest that if you look into the history of sports and games in this country you will find they never developed from the play of children but always from a situation wherein people had leisure time, sufficient money and adequate status in a community to organize the game on a fine, rational basis. Dr. W. G. Beers, the man who codified the rules of lacrosse and is responsible for the myth that it is our national game, is an example of this. He was a fairly well-to-do dentist in Montreal and consorted with people such as the Abbotts and Redpaths who were well-known in Montreal sporting and moneyed circles. A small group of such young men connected with McGill University had watched Indians play lacrosse and decided that it was an attractive game. They rationalized and adapted the sport and developed a code of rules. With the coming of confederation Beers decided to tie the two developments together and so he hammered across the idea that on July 1, 1867 we would have a new national game as well as a new nation. Thus the idea was born and lacrosse ever since has been referred to as our national sport because of this publicity. Of course, it has never really been an official game. You cannot find it mentioned anywhere in the statutes or in an order in council. As a matter of fact, on July 1, 1867, the day on which it was supposed to have been made our national sport, the House of Commons, although it sat, did not have any discussion or debate nor did it take up any business in which such a step could have been taken.

As a game, lacrosse went through a period of tremendous expansion and in that expansion it manifested one of the prominent tendencies of sports in Canada. The local towns, small cities and larger centres all want to get into the game and they do so with great local pride once they become established in the sport. That happened with lacrosse, football and hockey. They quickly moved across the country. In each case the people wanted to have a national championship. As a matter of fact, within two years of the C.P.R. reaching the west coast the people in that area were sending down a lacrosse team in an effort to capture the national award.

The trend to group participation in national sporting games has been extremely strong in Canada. In one period we had people like Mr. P. D. Ross, publisher of the Ottawa *Journal*, and "Iron" Mike Fallon, later bishop of London, who was the first man to introduce American football ideas into Canadian football in the 1890's. There was a great sporting fervour at that time.

If you analyse the reason for this infectious interest in sport which existed at that time it was because these sports were in the hands of a fairly small group of people who had leisure and a certain amount of money. This accounted for the expansion. Eventually, professionalism entered the scene in Canada although there were early glimmerings of it before 1867 and certainly Ned Hanlan is reported to have made $85,000 in one expedition. However, professionalism in the true sense did not enter the picture until 1907 when a football coach for the first time was paid a salary. His name was Chauncey Elliott. The next year and the next, lacrosse, which had been semi-professional but largely amateur, became professional in the full sense and then a professional hockey league came into being.

With the development of professionalism in Canada, paralleled by developments in the United States, you had a different type of conflict in the athletic scene than you had ever had before. A very famous Spanish philosopher, Ortega y Gasset, has put the whole basis of our society as having developed out of a game and a subsequent code of rules. His argument was that the British had the best democratic sense in the whole world because they had developed this idea of gamesmanship, not in the Stephen Potter sense, but in the sense of respect for the game to the point where they played it as gentlemen, and while the idea of winning was usually paramount it never got in the way of the fact that they wanted to have a good game. So you got this code of ethics and sense of fairness, and English gentlemen, coming out

of schools such as Eton, Winchester and the rest, carried this into their parliamentary life and helped to give it stability and a fair code that many of the other countries of the world have never been able to match.

So far as politics are concerned, I have noticed that politicians cannot stay away from sport. In one of this first ambits or gambits after being elected, the present Prime Minister (Mr. Diefenbaker) appeared, very athletically clad, to kick the football at a Grey cup match. We can all remember the late Mr. King prancing out when Barbara Ann Scott came home in order to benefit from her publicity. He was seen with her on several occasions. I think that the Leader of the Opposition (Mr. Pearson) has been able to make a great play out of the fact that he was a good athlete, that he is a very sporting type and can talk the language of sport. To me, perhaps the most amusing incident in the political scene had to do with a C.C.F. member. I remember how stunned I was when I saw the former member for Winnipeg North Centre cavorting around at Grey cup time with a sombrero on his head.

The theme of the athlete and the game being important in national terms is something that has been close to us for a very long time, and it seems to me that the decision we have to face is whether we actually want to subsidize sport under the international conditions that exist today. A number of members of our group are in favour of the motion in principle. I would abstain from voting on it because I feel that the conditions attached to the resolution by the member who introduced it largely represent things that I cannot support.

Games, sports, athletics, whatever you want to call them, amateur or professional, games of skill, games of chance, represent a very cluttered and mixed up situation when we consider them and try to decide whether they are worth while or not worth while. I know one of the causes of the split in our views. It can be seen in a number of historical references. I remember reading about the villages and towns of Nova Scotia. It was said that in villages where the Baptist or Methodist churches were strong they never had many sporting events whereas if you had a lot of Anglicans sport flourished. It can also be said that the Irish Catholics introduced many phases of sport into Canada. They came from Boston to St. Michaels' College and the University of Ottawa and gave Canadian sport its biggest boost in the 1880's and 1890's. Several players from the St. Michaels' College baseball team went right into the professional leagues. One of Canada's first wealthy men, a Torontonian, was the only Canadian I know of who ever owned a major league baseball team. Unfortunately it was the New York Yankees in the days before they were the New York Yankees so he did not do very well.

To come back to the contribution of the Irish Catholics, not only do we see it in the United States in the case of universities like Notre Dame but we can also see it in Canada in the case of St. Michaels' College. In contrast, I was intrigued by a book issued about 1905 having to do with French Canadian athletes and heroes. There was only one person mentioned who played a team game. That was Nap Lajoie, a resident of the United States of French Canadian origin. Mention was made of strong men such as Louis Cyr or strong women or boxers or wrestlers which indicated that for many years French Canadians stayed away from team games. They were never encouraged to go into them. Their basic physical strength and prowess at sport and at hard work led them into the weight lifting and wrestling fields. From about 1910 on you can see the beginning of French Canadian names creeping more and more into lacrosse and hockey line-ups until today, as all hon. members know, some of us from Ontario feel that they rather dominate the game of hockey.

Contributions have been made by other national groups. If any of you come from Kitchener you will be aware of what the Germans gave to Canada through gymnastics and the turnerbunds they introduced. The Caledonian games, which have been taking place in Ontario for seventy to eighty years, have been to a greater or lesser degree a contribution to athletics and to the development of strength in tossing the caber. I feel that such contributions have meant a great deal to the colour and tone of Canadian life. The Guelph Maple Leafs, for example, put Guelph on the map long before George Drew entered the house as leader of the opposition. Away back in the 1870's the Guelph Maple Leafs were North American baseball champions.

I am giving a number of these examples to try to show that sport has always been a very large part of the Canadian social life and social scene. Within two years of confederation two teams raised enough money through personal subscriptions to make tours of England in order to play cricket and lacrosse. Throughout the 1880's and 1890's and up to the advent of professionalism almost every year some team of some kind or other went over to Great Britain or down into the United States to demonstrate their prowess.

From the reading I have done I cannot remember, however, that there were ever any demands that these teams be supported by the government.

Some of you must remember the discussion last year when Great Britain challenged the United States for the American cup. It was mentioned that Canada had twice done so. In 1873 the ship, *Countess of Dufferin*, named for the wife of the governor general at that time, entered the race and made a very poor showing, such a showing that editorials were written in all Canadian newspapers lamenting this disgrace, but in none of these editorials was there any demand that the government should step in and put up a sum of money in order to produce a better boat.

The very fact that such a resolution as this is introduced by a member of a party that has "Conservative" in its title throws some light upon the changing times. While we know that the hon. member introduced certain caveats about not letting the state go too far, in effect what he is asking for was subsidization, even for his own beautiful city of Vancouver so that they can put on a big show. This puts us over a watershed of some kind or other. I hope that if members of his party speak in support of the resolution and later vote for it they will realize that their claim to the title "Conservative" is going to go by the boards.

There is one authority in Canada today to whom I should like to refer. At least, I feel he is an authority although he has been much maligned. I refer to Lloyd Percival who made sports college very well known. A number of years ago I took up with him the question of what he thought we should do in the international field. I asked him this question:

What ideas or opinions have you on the efforts Canada should make in the field of international sport, for example, at the Olympic games?

His answer was:

I believe that if Canada is going to take part in national sport especially at the Olympic games and British Empire games that the country should make an organized effort to develop adequate representation.

By adequate, I mean both in ability and attitude. The first step it seems to me is to develop an Olympic awareness amongst our youth. Here in Canada there are only comparatively few who ever think in their youth of the great honour of representing their country at the Olympic games. In other countries this is a major job to a large proportion of the athletic population. Following this, of course, there must be developed a scheme for improved coaching and facilities. This could well be the subject for a book.

Later on, I asked him this:

If Canada should make a planned and serious try for international laurels in Olympic events, do you think government sponsorship is necessary, in whole or in part?

[Mr. Fisher.]

The answer was:

Yes, I believe that government sponsorship is very necessary if Canada is to do anything about improving our international reputation in athletics. I believe a development committee should be set up to handle the financial support provided by the government. On this development committee should be representatives from all those activities concerned.

Now, when I suggested that I would give partial support to this resolution, I meant in this particular field of athletics only and not that I felt any team games, like hockey or football, should be given support. No such team in Canada at the present time deserves any government support for its present activities. When I think of the Belleville McFarlands going to Britain and touring Europe under the tender guidance of that British bandit Bunny Ahearne, I lose sympathy for them. I lived for several years in England and I associated with hockey players there. My sympathy for the Belleville McFarlands went out the window because I know that the Canadian amateur hockey association—do they still claim to be amateurs?; I am not sure because I have lost track of these things—has a good deal of money in the bank and can do fairly well in its organizational aspects in the playoffs toward getting money for this sort of thing. If they are the national governing body that supports hockey in this country, then surely it is their responsibility to send a representative team abroad.

It is easy enough to say that the Russians are in effect pros, supported by the government. What is wrong with that? Our sham amateurs cannot say there is anything wrong with it. However, in this particular regard, I feel this is one of the phases that no government should be called upon to support. The same remarks will apply to almost any other team game of which one can think.

One of the reasons why professionalism has tended to destroy Canada's participation in international athletic events is that it offers very glistening opportunities to young people for this kind of hard work as compared to track and field events. One of the goals of most of the young men in the particular community from which I come is to become a professional hockey player. I believe there are 50 or 60 men from the lakehead community making a living in hockey at the present time. This incentive or this particular goal has led to a concentration by our young men who have athletic ability into this more rewarding field of sport. There is nothing wrong with that but it explains why we are not competing in international track and field events. They are not attractive enough to our young people.

One of the other reasons is that there is a social change taking place. Any teacher will tell you that we have backed down the male-female relationship to the ages of 12 and 13. I think anyone who has coached these team games realizes that a lot of boys begin to drop out of hockey or other team sports at 14 or 15. The boys find that the intensive activity which football or other sports demand, as well as the demands on their school time, do not comport very well with their social life when they are in the boy-girl stage. Sport is one of the things that suffers.

In relation to the National Physical Fitness Act, I may say that in 1954 the hon. member for Essex East (Mr. Martin) buried this act. As I remember from scanning through the debates that occurred there was no one from the Progressive Conservative party who stood up and tried to keep it going. I should like to point out some of the aims of that act to the hon. member who introduced this resolution. Section 4 of the act, subsection (b) says:

(b) encourage, develop and correlate all activities relating to physical development of the people through sports, athletic and other similar pursuits;

Some $225,000 annually was set aside by the federal government to be distributed to the provinces on a pro rata basis if they would undertake to use the money for the purposes set out in this act. The reason for the introduction of the act was that most Canadians were amazed and alarmed at the state of the physical fitness of our young people when they were called up for the armed services. As a consequence of that concern this act was passed. In the 10 years that the act was in force the full grant was never taken. As a matter of fact, only a couple of provinces, I believe British Columbia and Saskatchewan, took any real interest in it, although Nova Scotia and Ontario did make some efforts.

The point I should like to make with the hon. member is that we had a piece of legislation on the statute books for 10 years and it was allowed to die in this House of Commons without anyone defending it. This legislation, essentially, would have done exactly what the sponsor of this resolution wants. It seems to me that the passing away of this act should make us ask the question, is this the sort of field into which we want to go?

I cannot find a bit of information for which I was looking, Mr. Speaker, but it had to do with a statement made by Dr. W. C. Ross of Nova Scotia, who was one of the members of the national physical fitness council set up under this legislation that the Hon. Ian Mackenzie introduced during the war years. Dr. Ross stressed almost the same thing that the hon. member for Hull (Mr. Caron) stressed, that we should be very careful in using federal funds to distinguish sharply between professionalism and amateurism. The very idea of an amateur is one who loves the sport or game and not the personal gain from it.

In the main, this legislation was really a tremendous failure. If you go across the country and talk to men who were active in physical education in the university faculties or in provincial health departments, I think you will find that they feel the government lost its enthusiasm for the act and the people seemed to lose their enthusiasm for it. There is another example of a particular act in the provincial field. The premier of Ontario introduced a community arena program with provincial subsidization. I think that across Ontario today many of these community arena projects are recognized as being relatively white elephants compared to the success that was hoped for them.

The conclusion to which anyone who is close to sport or has been close to it in any way must come is that it is a rather phony kind of atmosphere today in its higher levels. I have no particular complaint and I do not think any member of this house has, but there is much more space and time in the writing field devoted to covering professional hockey and football than to say professional politics. This happens to be the situation and the emphasis has always been intensifying on the personality, on the big hero.

In recent years we seem to have lost the conception of a game as something that enabled us to lose ourselves, to escape from time, and by means of which we learned co-ordination and co-operation almost instinctively. The idea of the game itself being important has gone, and the emphasis now is on some Mr. Big who happens to score three goals or some pitcher who happens to have his arm in good shape or Mr. Bernie Faloney who happens to throw clusters of successful passes in a day. You no longer get the emphasis upon the game as the thing in itself.

I do not particularly regret this tendency but a concentration that focuses publicity upon the big-timers in any particular sport again undermines the whole idea of amateur games and any sort of efforts on a national and an international level in the fields such as track and field that do not bring in the rewards. I think many hon. members have noticed the pressures that the sensational Australian Herb Elliott has been under to get him to turn professional. There is the promoter

always ready to try to cash in, even in this field, on exceptional talents.

Our United States friends, despite what was read by the hon. member who introduced this resolution, have not really gone as far as he would have suggested in supporting international competition. There has been tremendous demand for such aid to sport and wherever there has been any kind of loophole they have tended to use that loophole. But in the main the United States has ignored it, as any hon. members who have read Avery Brundage will have found out. He has been the leading figure in the United States Olympic program. The Americans have never really had substantial government support. I would put this up to the Progressive Conservative member. One of the reasons they have not had it is that they felt it introduced a conflict between the conception they tend to talk so much about, namely free enterprise, and sport they feel would suffer if it had government subsidies.

In closing my remarks I wanted at least to give them a slight humorous pitch. I wanted to read something written about 350 years ago about the virtue of a certain game, namely the game of football. While it has its humorous aspect, I think it is still one of the fundamental reasons why we should be interested in cultivating sport on a much more common denominator, that is on a mass basis. This was written by an Elizabethan educationist, Richard Mulcaster, and he said this:

> If well played . . . football strengtheneth and brawneth the whole body and by provoking superfluities downward, it dischargeth the head, and upper partes, it is good for the bowells and to drive down the stone and gravell from both the bladder and kidnies. It helpeth weak hammes, by much moving . . . thickening the flesh no lesse than riding doth.

Three hundred and fifty years ago this educator could see the value of football. I want to contrast that particular point of view with another quotation written by a modern-day psychoanalyst who looked at the sport of football as a psychoanalyst. He said:

> —in psychoanalytic language the football will be for the rugby enthusiast the symbol of maternal images, objects of love; for the soccer player, a symbol of paternal virility which is not a little awesome and demands special forms of taboo or control.

We get into by-channels of this kind today when we begin to analyse sport too closely. There are thousands of books turned out by Americans within the last few years about this social phenomenon of sport, the whole idea of mass sport.

In closing, I should like to indicate to the hon. member who introduced this resolution the idea that there is a confusion in his mind as to what he really wants in terms of government support. I do not think he really wants our government supporting teams to go abroad or to take part in activities with our American friends or even within the country, who are able to charge at the gate and get any kind of return, or in other words who can put their operations on a professional basis.

Mr. Winch: Read the resolution. It refers to amateur sport definitely.

Mr. Fisher: My colleague has referred me to the word "amateur". I should like him to define that word "amateur". We have a Canadian hockey association which is amateur and yet almost all the players in it are professional, that is once you get up to the junior level. The whole question of amateur versus professional was talked out in Canada from about 1910 to the 1930's when a sort of Victorian purity began to operate in matters of athletics and we had people banned from playing. If they were professional football players they were not allowed to play amateur hockey and so on. Hon. members will all recall that the famous cult of amateurism really developed out of English rowing activities where an amateur was defined as someone who did not work with his hands. One Canadian who went over to England and challenged in the field of rowing was not given the opportunity to compete because he worked with his hands. The same thing happened to the United States rower, a man by the name of Kelly, who I believe has some offspring now, a princess in Monaco.

But in defending myself from this charge of not reading the resolution addressed to me by my compatriot here, I have wandered somewhat away from the topic under discussion. I should just like to say that I would not support the resolution although parts of it are fairly good. I think the intention all the way through perhaps has been good. However, I would abstain from voting.

Mr. F. C. Stinson (York Centre): Mr. Speaker, in rising to participate in this debate I would first congratulate the mover of this resolution, the hon. member for Vancouver-Burrard (Mr. Taylor), on the initiative he has shown in bringing this resolution before us, the hard work which he has done in preparing the address which was delivered today and also on the contribution which that hon. gentleman has made over the years to Canadian sport. In this past 18 months I have had the privilege of being deskmate and roommate of the hon. member

for Vancouver-Burrard and I know something of his sincerity in this matter of promoting athletics in Canada. I would also refer at this time to the father of the hon. member for Vancouver-Burrard, namely Mr. Fred "Cyclone" Taylor whose name when I was a child was a household word in sports-minded households, and who will go down in history as one of the great Canadian athletes of all time.

I was pleased that the hon. member for Port Arthur (Mr. Fisher) concluded what he had to say with what he termed a slight humorous pitch. In my view there is nothing at all humorous about the references which he made near the beginning of his address to two Canadian citizens who have contributed so much to the game of hockey in this country. Whether or not what he said about those people is true, Mr. Speaker, I suggest to him that it ill behooves a member of parliament to malign in the way he did two individual Canadian citizens who are not here and therefore are unable to reply to him. But on their behalf and, of course, without their authority, I respectfully suggest to him that what he said is completely untrue.

Mr. Speaker, I listened with interest to what the hon. member had to say in his rambling address. In the very short time I have been here I have become quite fond of the hon. member for Port Arthur. I admire him as a distinguished teacher and a conscientious member of parliament. But I must say that I had some difficulty half way through his speech in trying to decide whether or not he supported this resolution. It seemed to him a bad thing that Conservative members would be bold enough to suggest that sport be subsidized in the way it is proposed this Canada sports council be supported by federal funds. It seems to me that the hon. member really failed to hear what the hon. member for Vancouver-Burrard had to say because, in essence, what he proposed was modest federal government support in a financial way of athletics in this country with a view to raising the standards of athletic achievement, and with a view to giving financial support to meet the expenses of amateur Canadians competing in international competition abroad. That is the essence of this resolution, as I understand it, and that is the resolution which I hope all hon. members will support at the conclusion of this debate.

Mr. Speaker, during these past few days when this resolution has been under discussion around the House of Commons I have been impressed by the unanimous support which it has attracted on all sides of the house. I am hoping that later today we will hear from the Leader of the Opposition (Mr. Pearson) who, according to legend, was a semi-professional ball player at one time, and who is still seen at least once a year playing ball on the lawn of parliament hill.

It seems to me, Mr. Speaker, that federal action of the kind the hon. member has proposed is something we should support for very good reasons. I think there is growing circumstantial evidence that Canadians generally are less physically fit than people in many other countries. I say "circumstantial evidence", because there have been no adequate tests carried out by competent people across the nation upon which we could come to a definite conclusion in this regard. However, as I say, there is evidence that Canadians generally are less physically fit than many people from other countries both in Europe and Asia. I think one piece of evidence is that, with isolated exceptions, Canadians have a bad record in international competition. At the last Olympic games in 1956 Canada, in unofficial standings, finished seventeenth, behind such small countries as Hungary, Korea and Iran. It seems to me that in a country endowed as this one is with great resources, a standard of living second only to that of the United States, with magnificent climate, and so many other physical amenities, it is simply a national disgrace that in 1956 we send a team to the Olympics which winds up seventeenth. I also say it is a national disgrace that up until this time there has been so little done on the part of the parliament of Canada to promote, sponsor and assist our athletes who compete in international competitions.

Of course, there have been exceptions to this general rule. Percy Williams, the famous sprinter, first brought renown to Canada in his success in the 1928 Olympics. Barbara Ann Scott, Marlene Stewart Streit, Doug Hepburn of Vancouver, Barbara Wagner, Bob Paul of Toronto and Ann Heggtveit of this city, all of these great athletes have brought honour to Canada, in many cases in spite of the lack of encouragement and support from any government in this country.

Mr. Speaker, there are many examples of Canadians going to the Olympics and other international athletic games ill prepared and ill equipped. I happen to know something about the team that represented Canada in yachting in the last two Olympic games, and I am told that when our sailors got there in the 1948 games, in the Star class they found their gear, equipment and boat were just not really fit to compete successfully against the equipment and yachts that the European and other competitors had. Notwithstanding this lack of financial support, the yachting fraternity in this country have been busy

since 1956 promoting the sport and raising money on their own. In this connection much credit for the success which I am sure we are going to have at the next Olympics in yachting must go to Ray Engholm, president of the Canadian yachting association, Bill Gooderham, who will probably compete for Canada at the next Olympic games, and Paul Phelan, the vice-president for Ontario of the Canadian yachting association.

Mr. Speaker, another fact which indicates that Canadians are less physically fit than the people in other parts of the world is the high rate of rejections for the armed services. Figures in this regard are not available in this country, but studies of rejections for the armed services of the United States indicate that there is a higher rate in the services of that country than in European armies. I suggest that social and economic conditions in the United States are very similar to those which obtain in this country, and therefore a similar condition exists here. There have been many accurate and authentic studies made in the United States in this field. In 1955 it was reported to the President of the United States by the sports governing bodies of that country that 78.3 per cent of children tested—and they tested a sample of American children—could not pass the minimum muscular fitness test which is used in testing patients before they are discharged from physiotherapy clinics. Of a comparable group of European children who were tested, only 8.5 per cent failed to qualify.

A further little piece of evidence came to light recently in the report of the director of programs for the girl scouts of America who reported that in her opinion American girls do not have the same energy for hiking or folk dancing or other similar athletic endeavours as do European girls of the same age. I think the reason for this state of affairs in this country and in the United States is quite obvious. In North America we are becoming soft and flabby. We seldom think of walking; we always drive. Last night I attended a cocktail party in Toronto, and three people who came from a house not seven houses away from the place where this party was being held drove their cars to the party.

We have become, or we are fast becoming, it is fair to say, a nation of spectators instead of participants—and how soon this unfortunate characteristic becomes evident to us. On Sunday morning I walked into my living room at nine o'clock and there were three bodies—the bodies of my three children—on the floor watching the television, and only the most severe kind of prodding could get them out of the living room and on their way to Sunday school at ten o'clock. I must say in their defence that one of them is a hockey player, when he is not watching television, playing for two teams; the other is a swimmer and the third, I hope, will be a politician.

Mr. Pearson: Three sportsmen.

Mr. Winch: Out of order: that is not an amateur sport.

Mr. Stinson: Another interesting condition of affairs is that it is no longer fashionable in this country—and everybody these days tries to do the things that are fashionable—to engage in sports which require great stamina and endurance. I think hon. members will find that very few people after they have passed the age of adolescence become seriously interested in personal participation in track and field athletic activities, for instance.

The advantages of raising the physical fitness of Canadians are of course quite plain. People who are healthy, fit and vigorous work better and think better. With increasing standards of physical health fewer people will go to hospital and more will be able to remain full time at their daily work. The loss of earnings attributable to sickness in this country must be truly fantastic, to say nothing of the anguish and concern which is caused in a family when the head of a family is ill and unable to work. It is quite obvious, also, that athletic programs could help children by preventing them from joining street gangs or seeking cheap thrills and belonging to that well known class of adolescents called juvenile delinquents.

There is a further reason I would put forward for supporting this resolution, and it is this; there is no doubt at all that success in athletics and games would add greatly to our national prestige abroad. There is little doubt in my mind that the peoples of Asia and eastern Europe must be disappointed in this country when their athletes go to international athletic contests and find Canadians doing as poorly as they have done in recent international events. The peoples of those countries respect and admire physical vigour, endurance, stamina and athletic excellence.

So, Mr. Speaker, it is with great enthusiasm that I support the resolution introduced by the hon. member for Vancouver-Burrard. In my opinion the council should be comprised of some 25 people appointed by the governor in council, one from each of the 25 sports governing bodies in Canada. I suggest that initially this body should be supported by a federal government grant of $100,000 a year. The national ballet is now receiving from the Canada Council an annual grant of $75,000, and if the taxpayers of this country can pay $75,000 to the ballet—a payment

which, by the way, I believe to be justified —then surely $100,000 a year could be found for sport. I hope that one of the functions of this sports council would be to encourage benefactions from citizens and sports minded people across the country. I hope that people would be encouraged to leave bequests to this council and that it would also receive donations from amateur and professional athletic organizations. It seems to me that this council could play a large part in raising the physical fitness of the Canadian people, in co-ordinating the activities of the sports governing bodies of Canada and in promoting the participation of Canadian teams in international competitions. I hope all members of this house will approve this resolution and, on its being passed, will have some part to play in helping the Canada sports council to become a successful agency of the government.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should make my position very clear at the outset as far as this motion is concerned. I support it 100 per cent. I think it is an excellent motion, and it should not only receive the support of all hon. members but everyone should, in his own conscience, decide that it is not going to be talked out tonight but that it shall come to a vote. For this reason I do not intend to speak at great length.

Along with other hon. members I listened with a great deal of respect to some of the opinions expressed by my colleague from Port Arthur (Mr. Fisher), but I think this is one of the occasions when we can agree in principle but differ with respect to application. As far as I am concerned I take the view that whether a person is wealthy or a pauper he needs good health. Whether he is subnormal in intelligence or a genius he cannot go very far without good health. It is a matter of the utmost importance to all of us here, as legislators in the national field, that the people of this country should be as healthy as it is possible for them to be. I know very well that a few years ago we enacted the federal physical act. It had a short life and therefore an early death. But that does not detract from the fact that it was a good idea.

If in the history of mankind when a new idea apparently died we did not try to reincarnate it, reestablish it and resuscitate it we would be back in the age of barbarism. When a good and fresh idea unfortunately fails that does not deter us trying to revive the basic principle and underlying thought perhaps in some new form. The physical fitness program inaugurated by the federal government several years ago represented a valid idea which should be revived. The basic principle and the thinking behind the resolution we have before us today is to do something for the physical fitness of the people of this country.

In the province of British Columbia only a few years ago a wonderful experiment in the field of physical fitness was introduced under the brilliant leadership of the Hon. G. M. Weir and the Hon. George Pearson. We had established there a challenging program of physical fitness under which thousands of children and adults in the province received training in gymnastics and physical culture under supervision. It is one of the most marvelous programs in this field about which I have heard. For some reason I do not understand the present government of British Columbia discontinued the program which was a disgraceful action. The program was so good that the governments of Australia and New Zealand sent observers to study it. It is my hope that the spirit of the resolution before us will come into reality in the establishment of a council such as is suggested which will set up a minimum basis of physical education and amateur sport activity.

We in this group supported the establishment of the Canada Council for culture in the arts which was a good measure but having such a council cannot mean very much if people have not the state of good health to permit their taking advantage of it. I therefore believe that the resolution introduced by the hon. member for Vancouver-Burrard (M. Taylor) is the necessary adjunct, corollary or partner to the Canada Council for culture in the arts. If the Canadian parliament was prepared to establish and finance a council for culture in the arts there can be no reasonable argument against establishing and financing a council for physical fitness and amateur sports. If you support the one you must support the other.

I believe there is another important aspect of this question. The position of Canada must be defined with respect to sending our basketball, football, hockey, swimming and other contestants to international meets. Every time a Canadian team is about to go abroad the sponsor must practically get down on his hands and knees to beg from individuals and companies sufficient moneys to finance the trip. Scarcely a day or week goes by but that businessmen, corporations and members of parliament receive requests for money and if you do not kick through you are a dirty you-know-what. That is not good for morale in sports or for the morale of the contestants. I am not going to mention names but I shall give an illustration.

Mention has been made of a team that did a good job of competing at a sports event

in South America. Just a few days before the team was scheduled to leave they were uncertain about whether they could go because they did not have enough money. Somehow the money was scraped together and the team did a splendid job representing Canada, not only in terms of sports but in terms of public relations. I do not know about you, Mr. Speaker, but last week I received a letter from the sponsor of that team. There are 265 members of the House of Commons and apparently only one hon. gentleman sent in a contribution and I, of course, was one of the 264 that had not donated. The sponsor was to reward the one who had donated with a set of diamond cuff links but the attitude suggested that the other 264 were just no good. I can only say that you cannot answer every appeal because it is impossible. It is a shame that our amateur sports and international competitions must be carried on under those circumstances which are degrading to the team and to the people as a whole. It is not good for the morale of the team not to know until the last minute whether or not they can represent Canada and compete in our behalf.

I believe we should give thought, not only to the training and financing of athletes in Canada but also to methods of financing them as Canadian representatives when they leave our shores to represent this country not only as athletes but as public relations men and women. I know there will be many problems to be ironed out as there always are but these can be taken care of once the basic principles as envisaged in this resolution are made the law of the land. I intend to conclude my remarks in the way I started by saying that this resolution has my 100 per cent support and I hope it comes to a vote and is not talked out.

Mr. O. W. Weichel (Waterloo North): Mr. Speaker, I should like to congratulate the hon. member for Vancouver-Burrard (Mr. Taylor) for his fine speech. I am very happy to see his well-known father in the gallery.

Today's youth, our most precious heritage, are striving for things in life that appear most important to them and which will eventually bring success in future years. My connections with sports for over 35 years and my overseas and other experience in this old world of ours have given me much food for thought. I sincerely believe that the three greatest assets of our youth would be Christian training, education and recreation. Give me the boy or girl who will combine those three and I am sure we would never have to worry about juvenile delinquency.

Speaking today in support of the resolution proposed by the hon. member for Vancouver-Burrard I should like to relate my remarks to one of these great assets, recreation. Recreation builds healthy bodies and minds. Indeed, it benefits the physical and mental development of those participating. Last but not least, it provides good sportsmanship, fellowship and friendship and perhaps the greatest of these would be friendship.

The poem, "Making Friends", supports my statement:

> Life is sweet not because of the things we do
> But the things in common we share.
> We want to live on not because of ourselves
> But because of the people who care.
> It's giving and doing for somebody else,
> On that all life's splendour depends.
> For the joy of the world when you've summed it all up
> Is found in the making of friends.

I believe that the boy or girl who participates in some form of recreation will become a better citizen of this great country of ours. The fine assistance of many organizations, including the Canadian sports advisory council, the Canadian amateur hockey association, the Canadian Legion with its youth training plan, in an effort to upgrade the standard of Canadian track and field athletics and the individual efforts of our coaches, managers and executive members have given our youth greater opportunities in recreational participation. Through the efforts of many sports minded citizens, arenas, community centres and stadiums have been built almost overnight.

The value of these buildings cannot be estimated in dollars and cents. Yes, I know that some people will argue that the cost of these structures is prohibitive and the upkeep too great, but I sincerely believe that if we can keep one boy from going to Guelph reformatory or some similar institution the investment is more than worth while because, after all, that boy could be your boy or mine. Today it costs about $150 to equip a boy for most sports, but let me bring to your attention the fact that if that boy should go wrong it would cost $2,000 or more to send him to some penal institution.

In my remarks up to the present, Mr. Speaker, I have mentioned the value of recreation. I am sure that you will agree with me that there is a great need for a sports training program in the dominion of Canada on a national scale in order that we can compete favourably with other countries. Sports organizations throughout our country have dedicated their time and effort toward this great cause but lack of finances have stifled their efforts. Government financial

assistance, along with the outstanding spirit of these organizations and individuals, could bring splendid results.

Since I spoke in parliament recently on government assistance to sports and hinted that possibly a ministry of sports and athletic development might be the answer, I have been assured of the wholehearted support of many sports leaders. While the press has greeted the idea with mixed feelings, everything indicates that the mass of the people who are involved in sports in any capacity are in favour of the idea in principle. Working out details is a problem but certainly not an insurmountable one. Whether this proposed assistance to sports should come through a ministry or a department of an existing ministry is really not important. Getting something done is the big thing.

Shortly after my recent speech in the house went out to the newspapers across Canada the sports leaders of my home riding lined up solidly behind my suggestions in comments made to the Kitchener-Waterloo *Record*. Oscar Wiles, club president of the Kitchener-Waterloo Dutchmen, who will represent Canada at the 1960 Olympic games at Squaw Valley in California, said:

A Canadian representative team should get financial backing from government sources.

Mr. B. F. Kearns, twin city sportsman, active in many fields, said:

We discussed this very matter of government support of athletics with members of the United States Olympic committee in Cortina in 1956. We were firmly convinced that government support of athletics is a necessity. It is vital to the health and welfare of the country and it is obvious that because of our government's views we're getting farther down the athletic ladder every year and taking a back seat to countries with a more vigorous approach to athletics.

Bob Cardy, president of the Kitchener sports association, pointed out that each year Canada drops members from its Olympic team because of financial curbs. He asks, how can we hope to develop if curbed this way? Mr. R. A. Echlan, a leader in Canadian track and field circles, said:

Interested amateur sportsmen have to spend so much time thinking up schemes to raise money that they have little time left to coach.

One of the biggest boosts came from Waterloo county magistrate J. R. H. Kirkpatrick, a strong enthusiast for minor sports and youth in our community. These are his words:

A ministry of sports could encourage a return to mass participation in sports for the development of sound minds, good character, strong healthy bodies, and not for the acquisition of the almighty dollar.

He goes on to say:

Russia's emergence as an athletic nation is viewed with concern because of the championships gained by her teams and records broken by her athletes. Too little credit is being given to Russia's program which encourages participation in amateur sports. We propose to meet this competition with money. It should be apparent that real enthusiam for sports and athletic proficiency will be instilled in tomorrow's spectators by encouraging them to participate today and through a cultivation of admiration for the amateur athlete, not through the purchase of a television set or tickets to professional exhibitions. Money will flow into the coffers of Olympic committees after we have created a nation of sports loving people who hold the true amateur sportsman in higher esteem than the paid performer.

Mr. Kemp Thompson, editorial writer for the Kitchener-Waterloo *Record*, had this to say with reference to my maiden speech:

Mr. Weichel refers to the millions spent annually on cultural development as part of his argument for support of sport. This was placing the question in true perspective for the fields are really closely allied in so far as government policy is concerned. A sound mind in a sound body, that famous saying links culture and athletics and also applies nationally. Certainly if a healthy and coherent picture of Canada is to be projected before the world national support for both is justified.

Mr. Ewan Cameron, deputy chief of police of Kitchener, a man who is very interested in our youth and is doing splendid work along with others in the sponsoring of 500 boys in the Kitchener police association, had this to say:

I am one of the many thousands of Canadians whose interest and admiration has been aroused due to your well taken point and submission to the Canadian parliament concerning amateur sports and the appointment of a ministry which would give direction and, what is more important, added dignity to amateur sports. Surely we should exploit to the utmost the value of properly supervised sports as a medium to teach young people the art of living in a very complicated society and to accept that which they cannot change or understand. How could one have thought of a finer way to emphasize the importance of physical fitness? And what is a more normal avenue to physical fitness than sports activities?

Miss Marlene Lichte of Kitchener, one of Kitchener's accomplished figure skaters, said:

The federal government should set up a fund like Russia which subsidizes athletes with living expenses.

Miss Mary McGrail of Ottawa, one of the promising figure skaters in this city, made this statement:

Because of lack of funds many top-ranking athletes are forced to withdraw from international competition and are replaced by those of lesser ability who will not represent their country as creditably.

She goes on to say:

For the forthcoming world skating championships in Colorado Springs, the Canadian figure skating association is giving each competitor $200 to help pay expenses.

I guess father pays the rest. Then, Mr. D. W. Connor of Montreal, president of the Canadian amateur bobsleigh and tobogganing association and former world champion of this sport, who was elected to the Canadian athletic hall of fame, wrote the following:

I was very interested to read in the press your statement in the House of Commons on January 20 regarding the establishment of a "ministry of sports and athletic development". The establishment of such a ministry is an excellent idea and I congratulate you for initiating it. During January we sent a four-man bobsleigh team to St. Moritz, Switzerland, to represent Canada in the world championship being held there this month. I personally financed the larger part of this trip.

May I emphasize that?

I personally financed the larger part of this trip. Although the outside world looks to us as one of the prime winter sports countries, this is the first time that Canada has been officially represented in the world bobsleigh championship.

I agree with you that we spend vast sums of money on many overseas projects and yet athletic organizations which go abroad to represent Canada and to bring honour to it must beg for their own funds or finance themselves.

In a recent Canadian Press poll over 80 per cent of the sport writers and sportcasters were in favour of some form of government aid to Canadian athletes. The idea of a Canadian sport and athletic development ministry may seem repugnant to some, and if it does why not attack the problem through the creation of some group to administer the income from a fund? It could be done in the same way as the Canada council doles out money for culture. This council or group, perhaps operating along the line suggested by the hon. member for Vancouver-Burrard, might be given the income from a certain grant by the government, to be used nationally all across the country for things like minor hockey and football, to provide funds to conduct coaching classes, to pay the costs of Canadian teams competing in world events upon proper application. Adequate coaching demonstrations should be utilized to create better coaching, more participation and to remove the plan from the cloud level of theory and bring it down to the working level.

Some funds from the government might also be used to build stadia and other facilities at strategic points throughout Canada. In Ontario, for instance, the lack of stadia for track and field meets is marked. There are only a half-dozen in the province and few of them are first line. The emphasis should be on participation, coaching and supervision in that order. Grants to national teams will aid in all those three aspects, since the great amount of time spent in raising funds could be devoted to other things.

Yes, Mr. Speaker, I want to lend my whole-hearted support to our government's entry into the field of financial assistance to sports in Canada, whether that assistance comes through a ministry of sports as I have suggested or through a council set-up envisioned by the hon. member for Vancouver-Burrard. This is really only a matter of detail at this point. What is important is that now is the time when something should be done. Our sports program, with government asistance could be on the threshold of developing a country of solid young Canadians who could be worthy challengers of teams from any country and in any field.

Mr. W. F. Matthews (Nanaimo): Mr. Speaker, in speaking on this particular motion moved by the hon. member for Vancouver-Burrard (Mr. Taylor), I cannot help but take advantage of the opportunity to speak in a little different vein from that of most other members who have participated in the debate thus far. It has been very interesting to listen to the debate, and I have enjoyed the contributions of the various members. However, I should like to offer some remarks upon the subject from a different slant. In order to do so and to fully cover the field of sport and its importance to the survival of a nation, it is necessary to start with the early history of Rome.

In the early days of Roman history we read there was no system of public education. All instructions given to the Roman youth were given by the father to the son. This instruction consisted of training in the manly sports such as running, swimming, boxing, wrestling and the use of arms. There was also practical training in agricultural pursuits. They were taught a knowledge of the traditions of the state and the legends of Roman heroes. The son was given instructions in habits of cleanliness and good conduct. At 18 the young Roman entered military service where he was taught discipline and respect for authority, a very important thing.

The downfall of Rome started when the simple life gave way to high living and extravagance. There was vigorous opposition from the champions of the old simple life, but the Roman civilization continued to decay. The rich citizens who controlled Rome had their luxuries, and they had their summer homes just as we do today. It may be said that just as corruption characterized the public life of Rome, so did extravagance and a life of luxury characterize the well-to-do. Some 320,000 male citizens were receiving the dole, free bread, and their votes were

courted by free passes to the coliseum. In other words, in those days there was political bribery occurring.

Between 96 A.D. and 180 A.D. the Roman empire reached its peak in territorial expansion, population and material prosperity. The fall of Rome is no great mystery. Rome became a spectator nation. As we read history we find that they became fat and lazy. They depended on the dole, and in many ways the rich engaged only in spectator sports. They built large coliseums in which these sports events were presented. In 186 B.C. they had a wild beast hunt, and the first exhibition of the gladiators was given at a funeral in 264 B.C. Then, as the hunger of the Roman people for blood grew, they started pitting men against beasts in the arena, about which we all read no doubt in school.

As these types of exhibitions became popular, they exercised a brutalizing effect on the spectators. The Roman people, as we know, reached the point where they scorned the obvious lessons from the history of Greece. The Greeks, of course, were tremendous sport enthusiasts. They used sport as a means of building up their youth. As the Romans became rich and lazy, they scorned these activities and they became prey to other nations.

Now, going on a little farther in history we find that the greatest conquests of all were those of Genghis Khan. Genghis was tall, vigorous and had a strong build and constitution at the age of 56. This may interest some people. He believed in doing things in moderation. His favourite pleasures were polo and the chase. He never let drinking become a vice. He is alleged to have said that if you were unable to abstain from drinking, a man might get drunk three times a month. If he does it more than three times, he is criminal. If he gets drunk twice a month, it is better; if once a month, that is still more laudable. If one does not drink at all, what could be better. If such a man were found, he would be worthy of the highest esteem.

Today we heard one hon. member mention television and refer to the fact that his youngsters, instead of being interested in going out and engaging in sports would lie on the floor and watch television. After reading the history of the mighty Khan, I would say that he would throw every television set out of his country because he certainly would never allow anything to interfere with the health of his nation. As you know, the Mongolian nation was responsible for the greatest conquests, even greater than those of Alexander the Great. The most tremendous conquests ever known in history were made under this famous Khan.

The youngsters of this nation were taught to ride at the age of three, when their mothers tied them to the saddle. They were given a bow and arrow—probably a small one—at the age of four. They were encouraged to go hunting, as much time as possible spent on horseback; and even before then they were given regular bows and arrows and taught to shoot at targets.

It is an interesting thing to note that the bow used by a Mongol warrior required a pull of 166 pounds. That is considerably more than the English bow. Nowadays if you go to buy a bow the average pull or weight that you would ask for in a bow would be from 35 pounds to 40 pounds. Some of the stronger men use one nowadays with a pull of from 50 pounds to 60 pounds. The bows and arrows of today are effective from 25 yards to 50 yards. We have quite a difference there. Our strongest bow would be 60 yards. These Mongols pulled a bow that required 166 pounds of pull and they were destructive at a range from 200 yards to 300 yards. There is a tremendous difference. They were mighty bowmen. They lived on the range. Some of these Mongol warriors would sleep all night while their horses grazed. They were known to travel in two days 180 miles on horseback, which is a tremendous thing. These men were able to do these things because of sports.

Strange to say in those days the mighty Khan had rules of sportsmanship. There were certain rules in sportsmanship, certain things that were fair and certain ones that were not fair. It is a known fact, according to history, that some of these men who were poor sports lost their lives because of poor sportsmanship or in other words for not regarding the rules of sportsmanship. Fair play apparently was one of the big things in that day and it paid off in a considerable way.

It is said in history that while on a visit to Cathay the mighty Khan, before he sought to invest those countries, noticed the decay in the towns, noticed that people were interested in life only, in eating, drinking and enjoying themselves but not taking part in any type of sports at all. All the way through the history of that mighty conqueror we find that he was always outnumbered tremendously by the opposing army but that his strength lay in the fact that he had well-trained men of endurance, men who played games as a training.

They conquered Russia; they went into Russia. We find that Germany tried going into Russia in the winter. Back farther in history Napoleon went into Russia and tried to conquer Russia in winter time. We know

what happened there. However, according to history, the Mongols went into Russia in two winter campaigns and conquered Russia. That was a tremendous thing back in those days. One of the reasons for his success was that his men were up-to-date, strong and played at sports. Not until the year 1260 did his descendants begin to forget his ideas on sport and good health. Then the great Mongolian empire started to break up. The interesting point is that the Mongols owed much of their success to social and economic decay in the countries they attacked, or in other words the countries they conquered in a good many cases were in a state of decay.

We now come back to early Britain. Sports in early Britain built up a tremendous country; there is no getting away from that fact. We have heard it said that the battle of Waterloo was won on the fields of Eaton and that could be quite true. On examining sports we find a little different picture. In England in the early days the nobility engaged in various types of sports, in their tournaments and things like that, whereas the men in the ranks used the broad sword, the long bow and the cross bow. This was not true in many of the other countries of the time. The only people in the other countries who engaged in the hunt or in sport were the noblemen. Therefore, it goes without saying that the British armies in the early days were much stronger because sports were played within their ranks. In the navy we find in the olden times that the mighty Drake with the Spanish armada approaching, continued to play a game of bowls. It did not worry him that this mighty armada was coming. They would outnumber him but it did not bother him a bit for the simple reason that he knew that all the men on his boat had been trained in competition in sports. There were prizes and special issues of rum for gun crews which could run a gun out faster than the others. The man who could climb to the top of the mast the fastest would get a certain prize. There were even prizes for dancing the hornpipe and various things. These pursuits made them a free-wheeling, easy-going bunch of men in the navy of that time who had nothing to worry about. We know that in that age Britain had the whole world against her at various times but still was able to survive.

In world war I there is an interesting thing to be noted in connection with our war aces. I refer to the first four of them. I could name them but I think everyone here knows them. When you begin to look into the lives of these men you will find that they came from Manitoba, from British Columbia, and from Ontario, and that they were all experts in sports. They played sports. Another interesting thing I find is that many of them were great at hunting. They were very handy with a shotgun and with a rifle; they were tremendous shots. Sports gave them this tremendous advantage. Our leading ace Bishop was a tremendous shot. His great ability in the air was due to his shooting more than to his flying, although he was a very good pilot. Owing to the fact that these men had played sports, they had nothing to worry about at all.

I was in the air force in world war I and I remember that every Wednesday at four o'clock we washed out and played games. It was considered to be important that we do so. Even at that time there was a demand for men. Our country was in a rather bad spot and was needing men trained. Instead of doing that, it was considered necessary that we wash out Wednesday afternoons and play games. We played baseball, hockey and various games to build up our abilities in order to be ready for the time when we went to war.

A few months after the war was over I was offered an opportunity to go to China to teach flying. A friend of mine by the name of Brown was flying at a school in China and he wanted me to go over and teach the Chinese to fly. I asked him at the time what kind of pupils the Chinese made. He said they were tremendous, but he said that the Japanese made their wills and kissed the family good-bye before they went up as they figured that fate had decided that they were through on that particular trip.

It is quite interesting to note that on Vancouver island an attempt was made to get a Jap in a camp there to run a big caterpillar tractor. The authorities could not find any of the Japs that could run it for the simple reason that none of them had played sports at anytime. This may not sound sensible but it is a fact. They were very much afraid of this tremendous monster of a "cat" and they could not master it. Finally at Union Bay they found a Jap boy and with a little bit of training they broke the Jap in on it. Finally it was found that the boy had played baseball on the Union Bay team, that he had played basketball up there and that he had taken part in sports to such an extent that he was better able than were the others to adapt himself to running this big "cat".

Another interesting thing we remember with regard to world war II is the fact that the Japanese air force made a tremendous name for Japan. Their pilots went in, I believe, and sank some of our topnotch boats. We know what they did at Pearl Harbor. They were men to be reckoned with.

The thought in the air force at that time was that the Japanese pilot was tremendous. However, when these pilots were killed off, we found that Japan's air force was nothing from then on. What happened was that all the pilots that had gone to the University of California, the University of Washington, the University of British Columbia, the University of Alberta, the University of Toronto, who played sports had been killed off, and they got back to the pilots who had not played various types of sports. That was the end in world war II of an effective Japanese air force.

Another point I want to make with regard to this motion which the hon. member for Vancouver-Burrard has presented is this. The battle of Britain was another demonstration. Some of the participants have been members here. If you examined the background of a lot of these men you would find that they played sports. They were experts, and that made them second to none as pilots, and they held back the mighty German air force. I do not want to talk about war because I do not believe in wars. I have had enough, as we all have, of war, and I do not think we will be engaged in another war for years. I want to get away from that and talk a little bit about sports, and what it has to do with the people of today.

I was quite interested in a little clipping which I have here about Anne Heggtveit, the skier, who recently came back after doing such a tremendous job. Let me point out one or two things which I think are quite good. It says:

> If the present situation isn't changed, she predicted "the top skiers in the world in the next six or eight years will be Russians and red Chinese, because their governments make it possible for them to ski full-time."

Anne started skiing at two and represented Canada in the world championship when only 15. That is what happened right along the line. I might say that somebody started her skiing at two. I would imagine it was her parents. It is very much like the Mongols fastening their youngsters on a horse at the age of three. I started my daughter skating at the age of three, and I believe it is a marvellous thing for her. This is a girl who has made a name for herself for the simple reason that her parents took an interest in her and felt that her health would be better if she went out and did skiing.

I also notice that these news reporters often sound a warning to us, and in saying that I mean they certainly are presenting a warning to Canada that we must make sure that people who are able to ski will get the backing.

Another interesting newspaper warning which I have here is from the Peterborough *Examiner*, where Mr. Les Vipond said:

> Life is too easy and we are more concerned with what we consume than in the development of a strong character. There is a danger of our becoming lazy and materialistic.

That is a warning from the newspapermen who watch these things very carefully. I have another one here from the Ottawa *Journal* for February 3:

> The publication of sports literature in the Soviet union is growing. Last year the physical culture and sports publishing house put out 195 books in a total print of more than 7,500,000.

They have turned out 13,200 books dealing with sports. All down the line they are building up their country with sports. They have put rinks right across the whole of Russia. They have put in playgrounds, and they realize that to build up a nation it is necessary that sports become No. 1, and I believe it is almost No. 1 in their expenditures.

I would like to continue and talk of sports in peace-time. I have been very interested in this motion. Last year after the softball game we had a little meeting together in Hull, and I spoke at that meeting. In the room were Lester Patrick, the silver fox, Mr. Fred "Cyclone" Taylor, and various others, a lot of players from the House of Commons and from the protective staff. I remarked at that time that there should be a school of coaching instituted. We have not a good coaching school, and coaching is very important. I said at that time that it would be a wonderful thing if they could have a meeting of these men like "Cyclone" Taylor, Lester Patrick and all these famous hockey players, who could get together and discuss various types of defence, and so on, and it could be put down on the record. Dick Irwin is a very important man whose views on hockey coaching would be very valuable. I suggested at that time that departments should be set up and that something should be done for sports, because I believe in the importance of it in building up the youth of Canada.

I might say at this time that the father of the hon. member for Vancouver-Burrard is now 75 years old. He was born in Tara, Ontario, and I can well remember sitting in the rinks with the famous "Cyclone" Taylor when for the first time clocks came into being, and it disturbed the "Cyclone" so much to think that players could only go two minutes. He said to me, "In our days we wouldn't even look at the coach; we were 60-minute men," It is interesting to watch players these days when their two minutes is up, because away they go.

The mounted police of Canada can do a tremendous job, and I know of some towns where the police do wonderful jobs as regards coaching. I would like to quote one case on Vancouver island, a policeman by the name of Bobby Ross. In this location where he was constable he taught sports. He was a baseball player and he taught sports to all the boys, and for all the years he was at this place there was never a record of any boy getting into trouble or doing anything wrong. The simple fact that he took an interest in them made it very important to them that they didn't let their coach down.

A lot has been said this afternoon about the cost of sports. Most hon. members here have put money into sports at some time or other, and they put it in hoping it will do good. They are glad to do it if they can spare the money, and their own personal satisfaction is reward enough. But I still think money could be set aside by our government to help sports for the good of Canada. I was quite interested in the story about Doug Peace, who lives in Ottawa. As a boy he had spinal meningitis and was not expected ever to be strong. But his father made him ride a bicycle, skate and play hockey, and he was built up to such an extent that he represented Canada at the Berlin Olympics in 1936 as a bicycle racer. There is a case where sports built a man up who formerly had been given up as not able to play any of these sports. Mr. Peace, Doug Peace as I like to call him, does a tremendous job now and is still active in sports in Canada. I know that every time Doug sells a bicycle or a pair of skates he has the feeling that he is building up Canada, because he went through it himself.

I, as a youngster, was very sick, and when I grew up I found out from my father's elder sister that the doctors would not even come to the house because they thought I would die. My dad in the early days took me out and made me play games, such as lacrosse, baseball and hockey, and he built me up. I knew nothing about this till about 25 years ago, when this lady told me all about it. I made up my mind then that I would do something about sports, and for the last 20 years I have coached sports and had a tremendous time doing it. It keeps me younger. Association with youth is a marvellous thing. I think coaching, and the volunteers who help out, are just as important as the people who donate the money. I could go on and on talking about sports for some time, but I know other hon. members want to speak on this very important bill. I know it is needed in Canada. I certainly will support any bill which will supply health to build up the youth of Canada. It is very important to us. So I will close now to give some of the other boys whose stories are good a chance and who also know that the future of Canada depends on the youth of Canada.

Mr. Lee E. Grills (Hastings South): Mr. Speaker, in rising to speak on this bill I assure you that if I do not refrain from mentioning my own riding and its success in hockey it is not for any selfish reason but because I am in support of the resolution proposed by the hon. member for Vancouver-Burrard (Mr. Taylor).

While my remarks will be restricted to the game of hockey I think they apply equally to many other sports activities. As hon. members know, I am privileged to represent the riding of Hastings South which produced the Allan Cup winners of 1958 and the team which in winning that championship were made eligible to represent Canada in the world hockey championship in Europe at the present time. I refer, of course, to the Belleville McFarlands. When they left Canada for Europe we no longer thought of them as Belleville's team but as Canada's team. They are truly representing Canada, and I might say that at the moment on the front of their sweaters there is a maple leaf and the word "Canada" in large letters.

At this time I should like to bring hon. members up to date on the achievements of Canada's hockey team overseas, and I am sure it will cheer the hearts of all Canadians to know that since leaving Canada on February 1 they have played a total of eight games resulting in seven wins and one tie, or a total of 68 goals to 12. I consider this really an achievement to date. I only hope that Lady Luck stays with them, but regardless, knowing the team as I do, we will be proud of their efforts. This is a fine group of young Canadians. I may say I know most of them personally. One works in a shoe store where I have dealt, another in a garage and another for a construction company. Others work in many different walks of life. They are typical of good looking young athletes, typical Canadians.

I may say at this time I believe their achievements are being watched by people all around the globe, and when I refer to some of the difficulties they have had, I think they are an example of the difficulties which have been experienced by many different sports groups and associations throughout Canada. Most of these boys are married men with young families and they have made a great sacrifice in leaving Canada and going overseas, in leaving the responsibility for their families and wives, and I can assure hon.

members that there are many wives who are thinking of them while they are away.

I may say that early this year when they were preparing to go overseas and when it was first suggested that they should go overseas it was a touch and go proposition. The main difficulty was in raising funds and while the contributions of many hon. members of this house and Canadian citizens were very sincerely appreciated, if it had not been for the civic-minded citizens of Belleville and Mayor McFarland of Picton they would never have been able to make the move. I know there was considerable pressure put on these people in Belleville and on companies who had representatives throughout the country. One man in a humorous attitude told me it was almost blackmail, if you did not contribute to the Belleville McFarlands, the pressure that was put on. However, that was part of what was necessary to raise funds, and to this day there is still a considerable amount not covered.

It seems to me that this is entirely unnecessary. It should not have been necessary to have the begging that had to be done in the city of Belleville and district to make this possible. We want all Canadians to share in these achievements, and whatever glory that comes to the team we want all Canadians to share. Likewise, I think all Canadians should share in the responsibility. An encouraging letter, I must say, came from the office of the Rochester and Pittsburg Coal Company, Toronto where they took up a collection in the office and sent an accompanying letter to the effect that they wanted to be part of Canada's hockey team. They did not think it was Belleville's team, but Canada's team and they took up a collection throughout that office, and that is the support necessary to make our hockey achievement a success.

We all recognize that the new era of speedy travel has made all nations almost our next door neighbours. I am convinced that a great deal of international understanding and good will could be achieved through participation in international sport due partly to the fact that it brings us altogether on a common level without the interference of dollars and the hard business usually involved. Having said this, may I emphasize that it is our responsibility to deal with the difficulty of getting the support necessary from a small municipality such as ours and many others that are fortunate enough to produce hockey teams of this calibre.

May I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Grills: Mr. Speaker, before the house rose at six o'clock I had mentioned in connection with the setting up of a Canada sports council the good will and understanding that could be achieved through international sports competitions and some of the difficulties that we face in this respect.

I read in a newspaper the other day a statement made by a free-skating champion to the effect that we do not realize that the Russians are using subsidized athletes who do nothing else but train for sports and when we send athletes to compete abroad it is like sending the boys to play against the men. We send the boys. If we are going to have our Canadian athletes compete in international sports competitions we must give them equal training and opportunity with other competing sportsmen. Let us not have the odds against our players when they leave. We expect a great deal from them so let us give them an equal chance with all others.

I should like to mention the contribution that participation in sports of all kinds makes to the training of young people and their future development. I am one who is convinced that there is no better way to fight juvenile delinquency and keep our boys and girls off the streets than to encourage them to participate in good sports and fair play which contribute to the leading of a clean life and the building of good citizens.

This proposed Canada sports council would be an authority to intercede and speak for Canada overseas as well as at home, and judging from some of the things that have taken place in Europe that would appear to be very necessary.

May I point out that even the outdoor rink has played an important part in the life of many of our Canadian athletes. Many of our outstanding hockey players first participated in games on outdoor rinks and they serve a very useful purpose. I am sure all hon. members would agree that any investment we make in our Canadian youth will surely pay rich dividends.

I well remember the occasion when the hockey team in my home town returned from that grand province of British Columbia after winning the Allen cup. The entire city and district, young and old—and especially the youngsters—came out to greet the returning team. The young people admire the team and hope to emulate them. We now look forward to the time when our boys will come home from Europe with yet another victory and this time we know that all of Canada will extend a warm welcome to them.

I urge that every consideration be given to the establishment of a Canada sports council. I may explain that the reason I mentioned hockey in my illustration is that I have had close experience with the game in my own sports life and it is a popular sport in my riding, but the things I said about hockey in terms of it inspiring our young people to lead better lives apply equally to other sports.

For the benefit of those hon. members who were not in the house when I spoke earlier and to bring them up to date may I repeat that the Belleville hockey team left for Europe on February 1. They have played eight games and have come up with seven wins and one tie. We only hope that this outstanding record of achievement will continue and that all of Canada will welcome them with pride upon their return to Canadian shores.

Mr. A. R. Smith (Calgary South): Mr. Speaker, my first remarks, of course, must be words of congratulation to my friend, the hon. member for Vancouver-Burrard (Mr. Taylor) who has introduced this resolution. As we are fully aware now, the hon. member has done a great deal of research into a subject which has been very close to him for many years. Despite the differences that we may have regarding details of the resolution I know that many hon. members in this house and certainly those who have spoken join with me in congratulating him on taking the lead in bringing to our attention at this time a resolution of this nature.

I debated however if I should comment about the fact of whether or not the hon. member for Vancouver-Burrard should be congratulated on a recent sports event in which he was engaged for I understand that he served as captain to a rather unfortunate hockey team which was defeated—some 14 goals to 2—by the protective staff; but his inability to perform efficiently on the ice in no way detracts from his ability to offer to the Canadian people something of value in the nature of this resolution.

In discussing the proposal for the establishment of a Canada sports council I wish to make two points which I shall put in the form of questions. Should the Canada sports council be modelled on the Canada Council? What results could be obtained from this? Before amplifying these questions, I feel obliged to make some reference to the contribution to this debate made by the hon. member for Port Arthur (Mr. Fisher) who this afternoon provided to the discussion what is generally termed as comic relief. Perhaps his contribution could also be described as humour, although it was humour of a low grade. I have no objection to humour of this kind but I feel it is unfortunate that any hon. member of this house should take it upon himself to be humorous at the expense of other people. Perhaps the one regret the hon. gentleman has is that his days in this chamber are numbered and his contribution to the Canadian scene will soon be forgotten whereas Canadian people will remember the contributions made to both professional and amateur sports fields by people who were the victims of his remarks long after the hon. member has returned to the honourable profession of teaching school. I should like to say to him that if he had any understanding of the contributions made by people like Smythe and Dutton not only to sports but to society as a whole he surely would not have been so willing to stick his neck out as he did because his remarks make him look even more ridiculous than usual and he has a capacity for this.

I do not intend to take any more time in referring to his comments nor shall I dignify his remarks by commenting further upon them, other than to say that I thought his most illuminating statement was to the effect that we have definitely passed the era when we once were able to get lost in sport. If anyone got lost it was the hon. gentleman who was so lost in his dissertation that he did not state whether or not he was opposed to this particular resolution or whether he would support it. And then he did not have the intestinal fortitude to do other than say he would abstain from voting.

I am now going on to discuss the proposed resolution in a constructive way and refer to those aspects of it which I consider of particular importance. I am certain that the hon. member who proposed the resolution will agree with me when I say that there is an area of weakness in it. He has already accepted that, and when the government eventually gives consideration to the matter from the point of view of putting something on the statute books of Canada they will have to take these shortcomings into account. The resolution is not intended as the whole answer but rather as a partial solution to a very difficult problem.

It should be emphasized that the resolution was not designed as the whole answer. It is not designed to make professional sports as such more professional. The debate so far has rather centred around the two principal sports of football and hockey. When we are talking about the varieties of athletic endeavours in which Canadians engage it must be kept in mind that we have a greater combination than any other country in the

world and there is participation by our young people on a wider basis than in any other country.

We hear a great deal, for example, about the plight, as it has been described by some of the old timers in hockey, of the young people who today play on the rinks of Canada. What we overlook is that today there are some 96,000 young Canadians registered with the Canadian amateur hockey association, 17,000 more than at any other time in our history. These young Canadians are taking advantage of the natural and artificial ice made available to them. As the country has changed in other ways so to a very large degree the participation of our people in sports has changed from bodily contact games to participation in such other pursuits as curling and golf, recreations which have no form of bodily contact whatsoever. I for one do not sit in judgment on the young people who have decided that their choice is to take part in such games. If they prefer to curl, play golf or take advantage of any other recreational pursuit of that type, that is a decision which I suggest we can leave to them.

Having said that, I should like to point out what I hope are certain advantages embodied in the resolution, but first of all perhaps I might deal with its shortcomings. This resolution has been modelled after that preceding the establishment of the Canada Council. The hon. member who introduced the resolution made it very clear that there should be the least possible amount of government control in legislation of this kind, and I agree with him. It is significant to note that 22 years ago a rather similar debate took place. At that time the then hon. member for Trinity introduced a resolution which read as follows:

> That, in the opinion of this house, in the interests of public health there should be established a ministry of sports.

At that time he could not obtain the support of his own colleagues, let alone other members of the house. I think I can best describe the opposition to it by quoting the words of the then minister of pensions and national health, Hon. C. G. Power, when he said, as found at page 124 of *Hansard* for January 20, 1937:

> —I doubt very much whether any nation reared and strengthened on individual effort as Canada has been from the time of our pioneer forefathers, requires any governmental or governing body to teach the youth of this country whether they should or should not play hockey, football or lacrosse.

I believe that the then minister of pensions and national health summed up the position that some of us in the house today would take, that we should not ask any government to interfere, to regulate or be responsible for the administration of athletic endeavour in any shape or form. The resolution before us does not call for that. It would place firmly defined responsibility in the hands of a select body to be appointed, but a body which in no way would be answerable to the decisions, whether political or otherwise, of any government administration.

The weakness of any body completely apart from government influence is the same weakness from which the Canada Council suffers today. As recently as today I read a press release advising that the Canada Council has approved a grant to an individual to attend in Pittsburgh, of all places, a workshop where he may study to be a critic. With a sports council we might run into difficulties of the same kind in making awards and giving help from the point of view of determining how policy can best assist individuals. There would be the problem of determining how much should be granted and for what objectives. Geographic considerations would enter into the making of decisions and it would have to be decided what policy we were going to have toward groups which to a very large degree are self-supporting such as semi-amateurs or "shamateurs" or whatever you want to call them. That is one weakness that I see in the suggestion but I think that there is certainly an answer.

But let us go on to the advantages. How can a sports council assist? What can it accomplish? First of all, I do not believe that we should necessarily place the emphasis on sending teams to compete in international events throughout the world. I think there is a far more important objective. In fact, from the international point of view I would be of two minds whether or not we should not provide assistance by putting food in the mouths of people in certain areas of the world that cannot afford the type of economy that we enjoy rather than paying money to assist certain athletic organizations to compete internationally.

But what I do say is that those interested in sports are entitled to an opportunity to develop themselves as amateurs in the field of their endeavour, and I make these suggestions. First of all, I suggest that if a Canadian sports council were established it should first of all give consideration to helping those institutions which are prepared to help themselves. That sounds like a great, round platitude but let me explain it. There are in Canada today a number of organizations such as one in my own city known as the Canadian Olympic development committee. That committee was established to assist exactly the same group that would be

assisted by a sports council. It has been developed along the lines of creating that Olympic awareness which Lloyd Percival has commented on. This Olympic committee in our city, the first of its kind in Canada, has provided and will continue to provide the lead in bringing the winter Olympic games to Canada in 1964 or 1968. That is the first objective which I suggest the council should have.

Second, I think it should provide only where essential transportation costs for competitors in international events, and this based on the ability or lack of ability of the city concerned to provide the money required. I see no reason why a city of 200,000 or 250,000 people should not be able to make provision for its athletes to compete in international events. Unfortunately, however, if it were left to every city or town many people would not be able to take part in these world tournaments. Therefore I see a need in special cases of giving some help to them.

Third, I think the council could help to provide facilities. In my opinion this is one of the most important features. I have in my hand a book which is a report of the youth and recreational centre of the Canadian youth commission. In it are numerous examples showing that, having regard to the different economies of the provinces, the people of some of the provinces are penalized in that those provinces have not been able to provide the sports centres which the people of the more prosperous provinces are able to enjoy. I think it would be a very useful purpose if such a council would give consideration to helping to bring those provinces up to the national standard in the same way as we are attempting to do in many other areas of our economy because, as I have said before, how can you speak of national unity unless all ten Canadian provinces can enjoy economic equality? This applies equally to the sporting scene.

Fourthly, I think that this council could carry out recreational training, something which was attempted in the legislation of 1944 to which reference has already been made, an act to establish a national council of physical fitness. I think it was said by one of the hon. members who has taken part in this debate, that that legislation failed. I suppose the record will show this to be true. However, he went on to say that no effort was made to take action. A great many of the provinces, Mr. Speaker, did take advantage of that measure. Possibly if it did fail it failed largely because of the one thing which the mover of the present resolution before us said he did not want introduced into his council, that is a large measure of government regulation. We in the province of Alberta were able to use it to a degree in co-operation with our cities in the province. We carried out a recreational program which is today being continued, largely as a result of the initiative lent by this measure.

What I say is that this sports council should be responsible at the national level for a degree of recreational training, or the supervision of it. I suggest that this could become one of its most important functions because, in fact, while the sports council would be concerned not with the professional, but to a degree with international competition, but a large measure of its responsibility will be in youth training, the development of our youngsters and making them understand the meaning of competition, the meaning of being able to grow up in a community and enjoy the facilities which I suggest this council should help to provide.

Fifth, I suggest the council could provide a very substantial amount of promotion and research. We, today, have seen many examples of particular types of athletic endeavour which could be usefully employed, not only as a means of creating a vehicle to enjoy the sport but also for creating an element of national unity, such as my own city created in 1948 in connection with the Grey cup. Unless you are going to be able to carry out promotion and research, which is so essential to all these youths, then they will flounder around on their own. There will be no planing to it. This is an area in which they could certainly receive some help.

Sixth, I suggest that this council could be of help in the promotion of any major sports undertaking. In this house we have already had references to the pan-American games, but the proposition with which I am immediately concerned is that of bringing to Canada its first major contest other than on a Commonwealth basis, the winter Olympics. This event could be staged in the area of Banff-Calgary in 1968. I might be excused if I made a reference to this particular undertaking. Perhaps I might tell the house the way in which I think the government could usefully employ whatever funds it may be able to give to such an undertaking. Perhaps I could give you some idea of the magnitude of the problem that faces a community that wishes to sponsor something of this nature.

It is perhaps well known to the house that very shortly, in 1960, the Olympic games will be going to an area which is known as Squaw Valley in the state of California in the United States. They expect something like 35,000 spectators and about 2,000 contestants. They have already embarked on capital projects

costing about $8 million. They have obtained $4 million from the state of California and $4 million from the federal treasury of the United States. Let me say very quickly that it is not the intention of the Calgary Olympic committee to come to this government for $4 million. What I can say is this: that the investment which Squaw Valley will eventually have in an area which I have heard described as perhaps one of the most unsuitable in the world for the staging of the winter Olympic games, is something that will turn it into a revenue producing centre for the entire state, in fact the entire country, for many years to come.

In the area of Banff national park and lake Louise we have already many of the essential facilities that the $8 million will have to provide in Squaw Valley. We have already many facilities which are equal to or better than Olympic standards. We have already much of the accommodation, much of the organization, and later in July of this year, with the full sanction of the Canadian Olympic association, the committee will present its bid for the 1968 winter Olympics. If this group is successful, it will make a national park of Canada the centre of skiing, not only as a sporting attraction but as a spectator attraction, on the North American continent. If they are successful, and I have every reason to believe they will be, they will turn an area which has been able to benefit from summer sporting events into a two-season area, an all year round sporting area, which will make it a very prosperous centre and the returns or dividends payable to the government will, in themselves, be worth the effort to promote the undertaking.

Here is the point I wish to make. If an undertaking of this nature is to be successful, it would perhaps best have been encouraged by the establishment of a sports council which would have been able to provide much of the research which was necessary and which we, in western Canada, provided for ourselves. It would have been able to assist more adequately in problems having to do with history of the problems of past Olympic games. It would have been able to give some consideration to whether or not many of the ideas that we have are practicable, based on experience over the years, and by having a pool of information from which we could draw. This group that is sponsoring the event will have spent about three years before they are in a position to come to ask for any federal help. It would have been of great assistance to this body to have had the co-operation and assistance for which the province and federal government eventually will be asked. This is the only area in Canada that is in a position to stage an attraction of this type.

I do not intend to labour this point any further. After the selection has been made you will, in due course, hear a complete report from the international Olympic committee. They will reveal the complete plans for the staging, as I said at the outset, of the first international major attraction in Canada in our entire history.

I shall now make one or two references to the situation on the sporting scene with respect to our athletes and our major sports attractions today. I suggest that this is one reason for the hon. member for Vancouver-Burrard introducing this resolution. I think he was concerned, if I may say so, with the growing area in which our athletes were not able to compete on an equal basis because they were ill-trained. He was concerned about the way in which we were beginning to lose our desire as a nation to compete. It is a natural desire to want to take some action. I suggest to him that the Canada sports council is indeed a move in the right direction, but it is only one of the moves that should be made. Part of the responsibility must also rest on those people who are today organizing the sporting scene in Canada.

I suggest that part of the responsibility—and a large part of it—must rest with those who insist on overlapping one sporting attraction with another so that in many Canadian cities today you can see a hockey game, a football game and a baseball game all in the same week. I suggest there is a responsibility on those who organize the sporting scene in our cities, a responsibility to get together to eliminate, wherever possible, the seventy-game hockey schedule which runs into May and which competes with baseball and so cannot survive, and baseball cannot survive eventually with a competing football season.

Surely this is not just a government responsibility. The responsibility must rest on those who are promoting the various athletic programs which we enjoy. I also suggest that there is a responsibility falling on those groups who are to some degree pricing themselves out by the sporting field. There are so many dollars available for those who wish to take in any number of attractions. We have found that many of our young men and young women—and this is so not only in connection with professional sports but in connection with many of our amateur programs—are not able to provide the necessary funds with which to enjoy the broad variety which is available to them today.

I suggest that our provincial governments have a responsibility with respect to endeavouring to encourage many of our amateur

and professional sporting organizations by not taking from them such a high percentage of the gate in the various taxes which are in force today. I suggest that our sporting organizations should endeavour to get together to restore some of the major contests such as the Allan Cup games to the place they occupied in the Canadian sporting scene just a few years ago. Today the young man or the young boy who is competing in any number of events looks at what eventually will be his maximum reward which is not measured in dollars and cents but in recognition. The day that the Allan Cup was literally destroyed, amateur hockey nearly died with it.

I believe, Mr. Speaker, that the Canadian public, those who pay their way to see the show, and those who are responsible for the organization of our major sporting enterprises, those attractions which we see from time to time, also have a responsibility and one in which they must also give some leadership before the government can be expected to undertake something of this size.

Having said that, Mr. Speaker, let me close perhaps on this note. The mover of this resolution gave us what I thought was a broad and comprehensive picture of the need. He presented enough evidence to show that there was a demand to do something. Perhaps it may be said that the timing of this resolution was not good and I think that is true. It must be placed in perspective with all the other things this government will have to do in this session of this parliament. Therefore it must be recognized that there are other priorities well ahead of this one that must be attended to. This proposal has just been suggested to the government, recognizing that it has some shortcomings in how it can be administered. However, it has been suggested that some action on a broad front be taken, not purely to produce a great many muscle bound competitors or to wave flags in international areas of sporting events but rather to provide the facilities, the training, the hope to our youth to be able to compete, and the opportunity for Canadians to avoid becoming purely a nation of spectators. As I say, this is the one hope that those who enjoy sporting events in any area have. It is the one hope they have to see that they can have something on an organized national basis.

There will be critics who will say that this is a luxury that we as Canadians cannot afford. Let me say to them that if they have any doubt about the interest there is in this matter, let them endeavour to attend any number of attractions put on by kids in pee-wee hockey, by amateur hockey associations or other sports associations not too well known to us. Let us remember that this is a subject that commands a great deal of national attention. It is not something so local that it has no interest or no priority whatsoever. I subscribe to the view that this is a resolution which, like the whole fibre of our Canadian way of life, is made up of little things, of a culture of one type or another, a fast moving business economy, with great natural resources. I would suggest that this is just as much a part and parcel of the Canadian way of life as is anything else that we do. I suggest that it has a real place in our Canadian way of life and is something to which we can without any reservation give complete support.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise briefly to express my support and that of this group for this resolution. Mind you, Mr. Speaker, there is a multitude of unseen people behind the curtain. First of all, I must congratulate the hon. member for Vancouver-Burrard (Mr. Taylor) who introduced the resolution. We support it because it is right in line with C.C.F. policy which has been discussed at district councils and conventions for years and years. That is a policy with respect to physical fitness, recreation and organized amateur sport that lays down the principle that it is up to government to help people who are willing to help themselves. I must again say that we are pleased to see that this Progressive Conservative from Vancouver has introduced this resolution. The farther you go west the more progressive you find the people of all parties. You will notice this evening that if this resolution is talked out it will be talked out by the Progressive Conservatives east of Winnipeg. I would ask you to watch and see whether my words do not come true.

I suppose it is safe to say, generally speaking, that the heyday of amateur sport was between 1900 and the first world war. I well remember as a boy all the hockey teams, baseball teams, swimming clubs and other small groups organized for track and field activities in the small villages and towns of the area in which I live which, for the information of the house, is known as the garden of Eden. But there is a big decline in all the amateur sports in all the smaller communities. When I was going west a couple of years ago, I stopped off at a small prairie town and found there was a baseball game going on that afternoon. I said to myself that it does my heart good to see a baseball game between teams from two small towns. I had not seen an amateur

game for years. After I was there a short time I found out that 90 per cent of the players were imports from the United States. That is because commercialism has entered into our sport scene so that commercial spectator sports dominate the scene in Canada today, sports which are largely run for the profit of groups or individuals and not particularly for the welfare of young people in this country.

Before passing on I must pay a tribute to all those in Canada who have continued to do all they can in the national, provincial and community spheres to maintain and develop amateur sports. I cannot resist including in that tribute the people in my district who built up from the small district leagues, the curling clubs, the active skiing clubs at Rossland and Nelson and the other small skiing clubs, the winter sports programs of various types, the programs of field and track activities amongst school children and the junior teams that are organized in such communities by people interested in the welfare of the younger generation. Those people have carried on, and I am sure it is the same all across Canada, under considerable difficulties so far as finance is concerned, so far as direction is concerned, and as far as popular support in many cases is concerned.

I suggest that the government give serious consideration to this resolution and implement the sports council suggested by the resolution to promote amateur sports in Canada. It would be giving a leadership which is very necessary at the present time owing to the obvious state of affairs in amateur sport across Canada. That council could give direction with respect to policy, programs, and could build up support and understanding of the value of amateur sports in this country.

Their particular value is this. First of all, the physical development of our young people; secondly, the development of healthy recreation, and outdoor recreation particularly. It would also provide an opportunity to develop young Canadian athletes whom Canada would be proud of at Olympic and other international sports. It is not a question which calls for a great deal of money. I am sure the mover of this resolution has that in mind. It is not a large sum of money which is necessary. What is necessary, first of all, is leadership; leadership to promote support and understanding, and develop co-operation and co-ordination in the provincial, municipal and community field so we get a sense of direction and a sense of purpose, and mobilize the people interested in amateur sports behind the council's activities. This is not, in my opinion, in the first instance a question of money. In fact, it would be a relatively small amount of money which would be required for the operation of the council which is suggested by the hon. member's resolution. If the government saw fit to adopt this resolution, I think it would be taking a step which would receive tremendous support from people throughout the country who support the different parties in this house.

In concluding my very brief remarks, I do urge the Progressive Conservative members to allow this resolution to come to a vote before ten o'clock, so that the government can give effect to something which is very necessary at this time, the need for which is obvious and which will do an immense amount of good.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, in rising to speak to this resolution this evening, I think congratulations to the member for Vancouver-Burrard (Mr. Taylor), who placed this motion on the order paper and who made the recommendations he made this afternoon, are certainly in order. At the outset, I would like to say that I speak in support of the motion, and I am also very happy to see today the C.C.F. party are supporting the Progressive Conservative suggestions. Before setting out a few of my comments and placing them on record, I think at this stage, as we have heard reference to this resolution, I should re-read the resolution:

> That, in the opinion of this house, the government should give early consideration to the advisability of establishing a Canada sports council with the object of fostering and encouraging amateur sport in Canada, such council to have representatives from each of the provinces of Canada.

It need not be repeated that organized amateur sport for our young boys and girls in this country assures us that our best asset, namely our youth, will, by participation in proper amateur sport, have healthy bodies and minds and thereby become outstanding citizens. In the early Greek civilization, which I believe was referred to by one of the British Columbia members, much emphasis was put on physical training so that the citizens of the community would become leaders and take their part in the community. No one denies that sport creates leaders of character. There is, I would suggest, with our youth today a crying need for such type of council.

I wish to refer to a few things which are very personal to me because of my own profession. There is one thing with which I always agree when reference to it is made by a member of the C.C.F. party, the member for Vancouver East (Mr. Winch) and that concerns the conditions of the jails. The reason I wish to make a few remarks on that is that I believe that amateur sport, properly

organized, in which the youth of this country will be able to participate, would be the greatest defence against our problem of juvenile delinquency. I think I have found that one of the most depressing things in my career as a young lawyer was to see young men and boys held in custody in some of our city and provincial jails awaiting trial, sometimes without bail. Organized amateur sport in this country, in my opinion, would be, as I said before, the greatest weapon against juvenile delinquency. We need organized sport to keep our boys, in plain language, out of trouble. These boys who are placed in custody in city and provincial jails awaiting trial because of such crimes as car theft, breaking and entering organized by youth mobs, have never really known the thrill of catching a baseball, or known the thrill of receiving the pass of a hockey puck from another teammate and scoring a goal. They have never really known the thrill of receiving a pass in a rugby game. This type of organized sport would have saved many of them from the horrible experience of being detained—and I say this without any hesitation—in outdated, drab, overcrowded, and in many cases dirty jails while they await trial, many of them without bail.

In referring to this question, I am sure John Howard of the 18th century would be shocked to see the conditions in which our youth are detained because they have been involved in something which is contrary to the law. I see many of these young men under these circumstances. In many cases their fathers and mothers ask the same question we would ask namely, "What have I done?" or "What have I left undone?" When I hear that remark I often think of the poet Matthew Arnold who dedicated the poem "Rugby Chapel" in honor of his father. His father, as you all well know, invented and created the sport known as rugby, where you receive the hard knocks, but you learn as a young man to take those knocks. That is the purpose of the game. You will recall the words he used when referring to his own father, which words I say are applicable to young men who have had the opportunity to participate in sport in our land. He said about his father—and I am sure he meant these words with reference to other men who had similar qualifications as his father—these words:

> Not like the men of the crowd,
> Who all round me today
> Bluster or cringe, and make life
> Hideous, and arid, and vile;
> But souls tempered with fire,
> Fervent, heroic and good,
> Helpers and friends of mankind.

[Mr. Woolliams.]

I have seen the minds of these young men who have run afoul of the law become warped, and they have become anti-social. They are against everybody and everything: they are against the world. One remembers the expression, "But for the grace of God there goes I", or "But for the grace of God there goes anyone." The type of character that Matthew Arnold described in his dedicated poem is the type of mature character which typifies the average Canadian boy which has had the opportunity of taking part in amateur sport. Boys who have participated in amateur sport are able to make good citizens, able in public relations.

There are many examples in the House of Commons of men who have taken part in amateur sport in their earlier years, and who have the same respect for the rules of debate as they have for the rules of the game in which they participated. I believe a good example of this, and I think the whole house will agree with me, is the Leader of the Opposition (Mr. Pearson). No matter how hot the debate becomes, he never usurps the rules of debate, because he learnt those rules as a sportsman in his youth. I think another good example is our own Minister of Transport (Mr. Hees), who is a good sportsman today and also follows in the footsteps of the Leader of the Opposition in that respect.

All of this is ample proof that there is a need for a Canadian sports council which would help organize sport throughout Canada so that every boy and girl in all walks of life would have the opportunity to take part in these games which are so important to character building. In this way we would make certain that the dollar mark would not keep a boy from participating in sports and if such boy has normal aptitude he would have the opportunity to participate in these sports, and if he had an aptitude above normal he would have the chance to excel in these sports. The dollar sign would not stand in his way irrespective of the side of the track he came from.

Such a council of Canada, fostering and encouraging amateur sport in Canada, not regulating it as was suggested by one hon. member, would be the biggest defence against juvenile delinquency. This is an asset which is wasted everytime one of our Canadian boys is incarcerated in an institution. Many of our young men and young boys who are now in custody in provincial and federal institutions would be living normal lives in society if they had had the opportunity to participate in amateur sport. They would have learned earlier the lessons which

are necessary to take their places in society and adjust to the strains of society.

I regret that there has been a tendency to let professional management coaches take the responsibility for training our young men to play hockey, football, basketball and other types of sport. I do not want to leave the impression that there is no place in society for professionals. That is the impression that I believe was left by one of the members of the C.C.F. party who spoke this afternoon. However, professional athletes are proficient performers as distinct from sportsmen as we formerly understood the term. Recently I read an article by Haig-Brown describing his experiences as a magistrate at Campbell River, British Columbia, and he had this to say, differentiating between amateur and professional sport:

> A professional doesn't play a game for fun. He works at it for a living. He may be a lighthearted individual who likes to enjoy himself. He may be an honourable man who wants to observe every rule faithfully and show the utmost generosity to his opponents but he had better not let these considerations interfere too much with the business of winning or he won't be earning a living very long. He is controlled by promoters and coaches, by the press and by the paying public. If his mental attitude remains that of an amateur he cannot possibly survive his first season.

This of course may be carried further to the conclusion that only the best can take part in sports today. But I do suggest that that is the way to differentiate between the two—that today there has been a tendency to sponsor professional sport and let amateur sport go by, as was mentioned by the hon. member for Calgary South (Mr. Smith). The problem is that only the cream off the top, only the proficient performers, get that opportunity and I do think the recommendation made by the hon. member for Vancouver-Burrard as to establishing a council to encourage and foster amateur sports so that all boys and girls in this country can have an opportunity to participate in that sport so that they can take their places in society and become leaders in some form or another is a good one.

What is needed is an organization to help the boys play hockey on the ponds and on the outdoor rinks, on the vacant lot or in the parks rather than have them governed by professional rules and regulations and have them sign contracts before they reach a mature age. Such boys serve the sport rather than the sport serving the boys. The fostering and encouraging of amateur sport in Canada will give a universal atmosphere to the whole tone of our sports program. Suggestions have also been made in this article by Haig-Brown in *MacLeans* magazine of May 12, 1956, in which he said:

> Athletic sports are said to be character forming. They undoubtedly are—to those who play, those who watch and those who merely read about them. But they can develop shabby and dirty characteristics just as readily as they can develop sound and good ones. When winning is paramount and fouling an opponent or fooling a referee is virtue, there can be no generosity.
>
> Self-control is no longer a virtue if screaming at an umpire or fighting or petulance pleases the crowds. The idea that body-contact sports teach a youngster to take it and still behave like a civilized human being is utterly lost when the press argues that grown men should be excused for losing their tempers in the heat of the game.

And he goes on to say that there has been a big change. Some argue that the boys have changed, but I am not one who argues that the boys and girls of this generation are, basically, any different from the boys and girls of past generations. But something has changed in this country, the same as in some other countries similar to our own. The rural population has moved into the city. This is the beginning, I suggest. Recreational facilities in the cities are soon wiped out, youth runs afoul of the law and then has to suffer the consequences of the conditions I described at the beginning of my address. What we need, I suggest, is good honest sport organized and taught by ordinary fellows who know the game and who will give the boys plenty of space where expensive equipment is not a problem, a place where everyone can take part, an atmosphere where winning is not all important, a condition where the individual is all important and team spirit is all important; a place where the old Greek rule of thumb is the rule rather than the exception, to use no fraud and no guile in contest.

Turning just for a moment to give this a personal touch, I was happy to hear the hon. member for Calgary South—maybe this is Calgary night because the hon. member for Calgary South spoke and I see the M.L.A. from Calgary in the gallery—but I am very happy on behalf of the Bow River constituency and particularly that part around lake Louise—and I may suggest to you, those who have visited it, that it is the most beautiful playground in the world—to see that there is a movement afoot, and hope that they will ask for the world Olympics in 1968 or sooner because Banff is one of the places where such songs really make sense—where the deer and the antelope roam and where the moose roam and where the bears roam —one of the last of those places set apart in our country as a natural park where nature remains as she was from the very first times. Besides Banff we have places like mount Norquay where the skiers practise on Sundays and other days of the week. From these slopes I hope to see within the

next two years, if we are fortunate enough to get the Olympics, skiers from all the world going down those slopes to meet with all the Canadians.

I was happy to receive a letter from my constituents in Banff advising me of the recent organization of the committee for the sole purpose of building a sports centre in Banff which will cost approximately $600,000. The committee was organized in the district of Calgary with the hope of raising $150,000. They are asking for support from the provincial department of parks and are laying their plans before the department so that skating and other winter sports will be available at Banff. Banff will thus become known not only as a beautiful place in which to golf but as a winter sports centre for Canadians and others to enjoy. As one who has the honour of representing that constituency I extend an invitation to all of you to visit Banff when the Olympic games are played there. I trust you will all have an excellent time and you will take back many pleasant memories from my constituency.

Ladies and gentlemen—

Some hon. Members: Oh, oh.

Mr. Woolliams: I mean, Mr. Speaker. Those hon. members who have participated in a few campaigns will appreciate that in unguarded moments you find yourself still campaigning. I am happy to say that I wholeheartedly support the motion on behalf of my constituency.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would be very glad to forego the pleasure of speaking on this motion if I thought that by refraining I would be making a vote on it possible but I understand—and I do not complain about it—that there are a great many hon. members who wish to express their views. It is possible therefore, to say the least, doubtful whether a vote will be taken tonight. Perhaps I might be forgiven then for taking advantage of this opportunity of saying a few words about a resolution in which I confess I am very interested indeed and which I wholeheartedly support. I hope no one is going to say that I did not support it at any time during the last 10 years. I did, but not in the House of Commons.

In any event this motion merely asks the government to give early consideration to the possibility of establishing a Canada sports council. The aim of this resolution in my opinion is one which should commend itself to every hon. member of this house as I believe it does. It certainly deals with a matter in which I have been interested as long as I have been able to remember anything.

As the hon. member who has just taken his seat said, some of us in this house in days gone by have known the thrill of receiving a pass and the desolation of missing the ensuing shot or occasionally the thrill of putting it in the upper left-hand corner.

I should like to congratulate the hon. member for Vancouver-Burrard (Mr. Taylor) for putting this resolution on the order paper and for the way he introduced it to the house this afternoon. He reminded us that we now have in this country a Canada Council and that the time has come for a Canada sports council. Indeed, he said this afternoon, and I believe I am quoting him correctly, that perhaps there was a greater need for a Canada sports council. I would not like to go so far as that myself because I can think of no greater need in Canada at the present time than government assistance to education through scholarships and through the construction of university buildings and government assistance to the cultural development of our country. Nothing, I think, can be more important than that.

But so, also, are physical fitness and a healthy interest by this country's youth in amateur sport important. Surely, it is the course of wisdom to pursue the paths of national development in both fields, the field of athletic activity and the field of cultural activity. As a matter of fact, I have heard some people rather disparage the assistance that has been given to cultural activities in this country through the Canada Council by calling it "aid to ballet dancers" but it is unnecessary to remind the house that a country, the government and the system of society in which perhaps places greater emphasis on the material development of its members than any other society—I am talking about the communist state in Russia—places almost as great an emphasis and gives as great assistance to ballet dancing as to sport. So it is possible and it should be desirable, I suggest, to combine any government assistance to these two activities in the material and the non-material development of our country.

I would hope that when the time comes—and I think it will come—for the establishment of a council devoted to the objective of this resolution, that council in its activities and in the assistance it may get from the federal government and perhaps from provincial governments as well, will be more concerned with encouraging the youth of this country to participate—and this has been mentioned, I know, by more than one speaker today—in sports and less interested in watching sports via television.

The hon. member who moved the motion this afternoon said that one function of such

a council would be to survey the needs in this field. I believe the time has come when that should be done in one way or another. He also said another function would be for the government to supply funds and other forms of assistance, some of which he mentioned. I should like to make it clear that in this context I associate the provincial governments with anything the senior government may be able to do in this field in the future.

He also mentioned the desirability of setting up a school for coaches and he added—and I think this is of interest and importance—that a council of this kind if it should be set up could play a most useful and important part in preparing the way for our centenary celebration in 1967 by laying the groundwork for the international athletic side connected with that celebration. Perhaps to be effective it is not too soon for the government to do that now. I know the hon. member struck a responsive chord in our hearts when he mentioned that perhaps steps could be taken even now to prepare the way for Olympic, or Pan-American or British commonwealth games in Canada during that celebration.

I would hope that a council of this kind would have as its first function the encouragement and support of the participation of the youth of our country in amateur sports and to do what can be done and what certainly needs to be done to persuade them that there is more to sport than watching it through television. I would also hope that this council, if and when it is set up, could support, improve and help to organize Canada's participation in international sport. There is no doubt, and it has been mentioned by more than one speaker, that our country has slipped in recent years in this branch of international activity. I am old enough to remember the great days of Canada's participation in Olympic and international sport, especially in track and field. I think they were probably greater days than any we have known since. I remember the great days of Sherring, who won the first marathon, and Bob Kerr, both of them from Hamilton, Ed Archibald, Jack Tait and the immortal Tom Longboat. Perhaps we reached the height of our international achievement in this field of sport at the Antwerp Olympics when, as I think the hon. member who began this debate pointed out, a Vancouver sprinter won the 100 yards, won the 220 yards and a Winnipeg quarter-miler would have won the quarter mile if he had not turned around in the last ten yards to see how far the American was behind him. Since that time there is no doubt that we have not been as successful in Olympic sports as we were in those earlier days.

Even in hockey there has been a big change from the time a few Canadian students at Oxford could arm themselves with some sticks and secondhand skates, go off to the European continent and become European champions even if they had to learn to skate in Switzerland to do it. We have not been surpassed in this particular sport but other countries are catching up to us although perhaps in compensation we have made international progress in other forms of athletic activity such as swimming, golf and skiing.

You may argue that it is no part of government and it is not even a legitimate government interest to worry about international sport, but unfortunately—perhaps it is unfortunate; whether or not it is, it is true—international sport is now associated with international prestige. If it was before world war II, if it was before the 30's, it is much more now because of the determination of the totalitarian states to use achievement on the sporting field as an indication of national prowess and prestige. Therefore, although I do not suggest it should be carried too far, I think it is now a legitimate interest of government to do what it can to see that the reputation of our country is maintained on the international athletic field.

I know some of the difficulties in this regard because in our country as in some other countries we do attempt to observe the amateur rules that have been laid down for international competition and which, of course, do not mean anything in totalitarian states. I have come to the conclusion myself—I do not know whether it is a valid or right one—that the time has come when, if international sport is to be such a matter of international prestige, there should be no distinction between an amateur and a professional in representing his country in international competition. There is no such distinction in cricket which in some respects is supposed to be the most amateur of all sports so I should like to see the day when a person who represents Canada can do so irrespective of whether he is a professional or an amateur.

It is also true, and it has a bearing on the prestige aspect of international sport, that those who do represent our country in this field of activity can do a great deal of good for the prestige of Canada or they can do an equal amount of harm. Perhaps I may be permitted to say that I have had some experience in this field. I once had the privilege of taking part in international sport but I have also had the privilege of representing Canada abroad diplomatically in countries when Canadian teams would turn up. It was just as important for the prestige and the

good name of Canada in respect of those competitions that our men made as good a name off the ice or off the field as they did on the ice or on the field.

The word "ambassadors" has been used a great deal in connection with this subject, and it is quite literally true. They are indeed ambassadors of Canada when they represent Canada, especially in the sport which we consider we have made peculiarly our own. They represent Canada not only on the ice but off the ice. Perhaps here is one thing that a sports council could do. When we send teams abroad to take part in international competition under international rules perhaps we should be more careful to brief them more carefully so that they know the difference between the kind of rules under which they play hockey abroad and the rules under which they play hockey in Canada for there is a very great difference between the two games. I am not criticizing the players but sometimes the inability to appreciate that difference can cause some embarrassment.

There would, of course, be difficulties in carrying out a resolution of this kind to encourage amateur sport. One of the difficulties is drawing a line and making a distinction, and it is not as easy as it used to be, between amateur and professional sport. What is an amateur these days in some sports? I have heard it said that there are some amateurs who just cannot afford to turn professional. It is true that in some sports it would be a problem for a sports council to draw the line in a way which would be satisfactory to everybody.

Perhaps hockey is the best example of that difficulty. I think one of the speakers this afternoon made some mention of this. Certainly there is a problem involved in the pressures that professionalism puts on those taking part in amateur sport at a very young age. I do not want to exaggerate but you see a boy skating on the street these days and shooting a puck against a wall. You think that he is doing it very efficiently and showing signs of coming greatness, but when you talk to him you probably find that he is on the negotiation list of the Chicago Black Hawks. While this would be a difficulty for a sports council, especially in the kind of assistance it would be asked to give, it also might provide an opportunity to bring about a better relationship in this country between professional and amateur sports.

One of the things, of course, that a council of this kind would have to do would be to provide funds, just as the Canada Council does in another field where I am sure it finds lots of difficulty, and to allocate those funds to suitable activities. While I agree with one of the speakers I listened to this afternoon who said we should be exceedingly careful to keep government out of sport, nevertheless if government in some form or other provided funds it might be a temptation to influence the activities which were being assisted. I hope it would not be but it might be that he who pays the player will call the tune. Any sports council would have to be very careful to avoid that. It can be done and I think it is being done in the case of the Canada Council because when that council was set up, as hon. members know, the government was kept out of any direct participation in its activities. Perhaps that could be done also in the case of a sports council. I suggest that it certainly should be done that way.

The objective of the resolution would be a very desirable one if it could be achieved. It would help in the creation of physical fitness in this country. It would help to encourage the youth of the country to take part rather than watch amateur sport. It would foster that individual desire for achievement which is the basis of good sport. But I do believe that in itself the council would not do these things. It could merely assist them.

Perhaps an indication of the limitations of a council of this kind could be found in the experience of Australia. I think it will be generally accepted by those who are interested in these things that the Australians provide the most magnificent example of achievement in sport of any country in the world today. There are only about 10 million people in Australia and we know how they excel in a variety of sports. They have done this, not through assistance from government, but because they have the desire for achievement. They have the determination to get out and learn how to play games. They are encouraged mostly by voluntary organizations in connection with the games they play. I believe there is a far greater interest in Australia, not only in participation in athletics but in voluntary assistance to encourage that participation than there is in this country.

They have not got a sports council, I am informed, in Australia. They have a federal government physical fitness council which makes grants to the states and which does encourage sporting educational activities. It makes grants to international sports teams. I believe they do not have a sports council of the type which is visualized here, and yet these 10 million people in Australia have accomplished things in this field of activity which are greater than any country their size in the world. While a council of this

kind could be most helpful, it could only assist in developing participation; the skill and achievement in which must exist in the youth of the country in the first place. But this, in itself, is surely something that is worth doing.

Therefore, Mr. Speaker, for these and for other reasons which I could elaborate if there were time, I should like to express my hearty support for the resolution and congratulate the member who has initiated it. I express the hope that if we are not allowed to vote on it tonight, perhaps the feeling that has been expressed in this house will make an impression upon the government and before long we will have our Canada sports council. I know, perhaps as well as most members, the demands that are made on governments these days for assistance for everything under the sun. There have to be priorities, and perhaps this may not have top priority, but I hope that when some of these other demands may be less pressing than they are at the present time the government, with the feeling of the house as expressed this afternoon and evening in this debate before it, will be able to take up this matter. Then, perhaps we may have the pleasure of welcoming in this house the establishment of a sports council for Canada.

Mr. John MacLean (Winnipeg North Centre): Mr. Speaker, I feel that we have had the pleasure of listening to a great number of speakers who have debated this resolution in its various aspects. Some have placed the emphasis upon juvenile delinquency, others on professional sports, others on group sports and still others on sports involving individual participation. In looking at this resolution it is my opinion that the only way in which it can be considered in all its aspects is from the viewpoint of the welfare of the people. What does this resolution attempt to do in so far as the people themselves are concerned? In what way does it affect their welfare?

If one considers the resolution in this light, it actually breaks down into three distinct aspects. There is one part that deals with recreation, that is those sports which may be called non-action sports; the second one deals with physical fitness; and the third aspect of this resolution deals with sports in general or what might be termed action sports.

In considering the first aspect which this resolution covers, and which I feel is the field of recreation, it is recognized I believe by everyone that at the present time there is a lack of facilities for the provision of recreation, especially for our senior citizens and those who are disabled or unable to actively participate in sports. This problem of the lack of recreational facilities, of course, is within provincial jurisdiction. Although such a council as is envisaged by this resolution, which would be set up in conjunction with the provinces, could deal with this field of recreation, I submit that the problem here is solely the lack of adequate finances. The problem in this field could be solved simply by the government, if it wished, making a grant to the provinces which would enable them to supply these additional recreational facilities. I believe that that is the problem, in essence, with regard to recreation.

Turning now to the field of physical fitness, which this resolution covers and which is a very important matter in Canada today, I think many members of this house will recall the National Physical Fitness Act, which was in force in this country for a good many years, but which was repealed in June, 1954. This act, I am sure, was set up with the good intention of promoting and increasing national interest in physical fitness. Although some useful work was performed under this act in co-ordinating physical fitness programs in the provinces, it is readily apparent that the program itself was a failure. The division set up under this act was originally set up to work on physical education, but ever so gradually it drifted into adult education, drama and other cultural fields. However, even if we say that this act was a failure in itself, that does not mean that there is no need in Canada today for some active steps to alleviate the present condition in connection with physical fitness across this country.

I am sure many hon. members of this house are not aware that our own department of health and welfare is actively concerned with this problem of physical fitness. At the present time, they have developed the Canadian physical efficiency tests in order to provide a practical means whereby individual basic physical efficiency may be assessed with due regard to age, sex and physique. These tests at the present time, or so I am told, are being conducted in many provinces. I know the department hopes that this testing project will be completed and standards developed during the present year. Our own department of health and welfare is aware of this problem and is attempting at this time to set up some sort of basis upon which a comparison may be made in order to ascertain where we stand in relation to other countries. When these tests have been completed the information then available to us will give us a better indication of the state of our physical fitness on a national scale.

However, there is enough evidence now on hand to assume, for all practical purposes, that our physical educational system is not of the highest quality and that our youth today are not concerned with physical fitness. In the province of Manitoba we had a committee study physical efficiency and recreation. Their report was submitted last June. The committee observed that Manitoba had the worst physical education system in western Canada, and that the greatest impediment in this system was the lack of trained staff. I believe that this problem, in varying degrees, exists right across Canada.

The solution to this problem is based on many factors some of which would be, in my estimation anyway, the provision of scholarships to aid physical education teachers; more physical education courses at our universities across Canada; and those universities which have not physical education courses should be prevailed upon to indicate them forthwith.

Last but not least—and perhaps this is the most important—we should be prepared to give national recognition to the profession of physical education. These people who obtain these degrees are not accorded that degree of recognition which they should be accorded in the field as professional men. Implementation of these remedies would assist our physical education and development of physical fitness to a large extent. However, there is a greater basic problem underlying this problem of physical fitness and I shall deal with it in a moment or two.

I might mention here again that this aspect of physical fitness is under provincial jurisdiction and if this council were set up there would still be this problem of putting into force policies that they may consider would be of great effect. These then are two aspects of this resolution that must be considered, namely recreation and physical fitness.

The third aspect, and to my mind by far the most important, is sports and the importance of this council with regard to helping amateur sports in Canada today. Even if this council were set up under this resolution, although it would be of great benefit I submit that we are in effect merely putting the cart before the horse. I grant that at the present time in Canada there is a lack of coaches, training facilities, playing fields, trainers and so on but the provision of these facilities themselves would not be the solution to our problem. The problem here also underlies what we face in the field of physical fitness. As the Leader of the Opposition (Mr. Pearson) set forth clearly in his remarks, we must provide for our Canadian youth the incentive to take advantage of our physical fitness programs and to participate in amateur sports.

The Leader of the Opposition talked about Australia and he is quite right. Australia, a country of 10 million people has made a mark which perhaps will never be achieved again in the field of sport with regard to the number of people in the country and the number of top honours they have won. The only reason that they have done this is that they have provided for their youth that incentive to take part in the physical fitness programs and to participate in national amateur sports. What we actually need here in Canada is to make sports national in character. I would therefore think that the place to start would be with regard to international competition; and then afterwards, after interest had been further stimulated, to proceed to the organization of a co-operative plan with the provinces with regard to making Canadian sports even more national. There are local and individual successes of which we as Canadians are duly proud but there is no concerted effort by Canadians to maintain competition.

At the present time I believe that amateur sport across Canada is in the hands of capable and qualified men who are able to give competent leadership to our youth if they so desire it. The most striking example of this type of leadership is a man from my own city of Winnipeg who has devoted his entire life to the youth of our city in the field of sports. I refer to none other than Vince Leah, who next Saturday night in Winnipeg will be feted by the citizens of that city for his untiring efforts through the last 25 years to the youth of the city of Winnipeg in the field of sports. This man is only one of many striking examples across Canada of men who have given their time, their energy and in some cases their whole life to the youth of this country with regard to helping them in amateur sports.

We know these men are able to give this sort of leadership to our youths. We also know the facilities are available. I grant that they are perhaps not adequate facilities. It is true that we need more facilities, more coaches, more trainers and so on. But at the present time facilities are available and there are competent men to give leadership and training to the youth of Canada. More and more, I maintain, it is becoming increasingly evident that our Canadian youth are not availing themselves of these facilities or of the type of leadership that is offered across Canada today. What we actually need is to participate in international competition to such an extent that we can arouse in the

minds of our young people that necessary incentive to take more interest in the field of physical fitness and in Canadian sport as being national in character.

I believe the first step in order to do this would be the formation of a Canada sports council as is suggested in this resolution but only with regard to international competitions. If support were forthcoming from such a council with regard to provision of coaches, finances and facilities for such competitions, then I maintain that this incentive to participate in sports would be supplied to our young Canadians. If this were done I believe that the interest of our youth in Canada would be stimulated and developed to such an extent that, in due course, whatever deficiencies now existing with regard to physical fitness and Canadian amateur sports would be effectively remedied.

I should like to see the hon. member's proposed Canada sports council comprised of representatives of various athletic groups who at the present time participate in international competitions and who would be, in the light of the experience they have gathered by way of these international competitions, able to decide the best ways in which assistance would be forthcoming from such a council to encourage our sports in order to make them more national in character.

As I said before, this would only be a beginning but I believe it would be a sound beginning. Once our Canadian youth have this incentive with regard to physical fitness and amateur sport then such a council could be further developed in co-operation with the provinces with regard to the development of physical fitness and provision of adequate facilities for athletics, amateur sport and recreation in general across Canada. We must make—and this is the important point—Canadian athletics national in character. We must have some national pride in all our amateur athletics.

For example, one of the problems facing international competitions has now arisen in the city of Winnipeg. At the present time we are attempting to have the 1963 Pan-American games held in Winnipeg. This is some four years distant, yet at this time we are obliged to make decisions, develop resources and find finances in order to present to the games body an undertaking that we will have these games in Winnipeg in 1963. This is an extremely expensive and costly undertaking. However, there is no doubt that the holding of these games in Winnipeg would inspire the youth of Winnipeg to take a more active part in track, field and other sports events which are held in conjunction with these games. This would be a good thing for the city of Winnipeg and for the province of Manitoba as a whole.

Yet we run into here the same problems as those that existed last year with regard to the British empire games. The basic problem is lack of financing. The city of Winnipeg must guarantee $2.6 million to the games committee at this point. It would cost that much to provide more facilities and have the necessary arrangements made to have the games held there. This is a large amount of money, Mr. Speaker. I submit that in this field this is the best way in which the federal government can help amateur sport in Canada, namely with regard to international competition. In this connection I would like to read a few words from a letter sent to me by Mr. Jim Daly, who has been prominent in track and field in Canada throughout the last few years, and is one of those people devoted to amateur sport in general. He of course comes from the city of Winnipeg, and has this to say with regard to the Pan-American games:

> If we are successful we will of course have to add to our present facilities to an international level.
>
> It seems terrible that in a country as large as ours that it has to be something like the Pan-American meets or the British Empire games to provoke the building of this type of facility which should really be available in every decent sized community in Canada.
>
> Most of the sports that people follow in Canada are the varieties which are common only to this continent. The trouble with this type of sport is that the Canadian public has no idea how they would rate internationally until one of our track, swimming or hockey teams takes a drubbing at the Olympics. Then the cobwebs are yanked away from our eyes and we realize, too late, that we are not as vigorous as we should be.

He goes on to say that there are too many needs in Canada which hinder amateur athletics. At the present time there is a lack of full-time coaches. There is a lack of sufficient competition here in Canada because of the long distances and the cost of travel between towns. He says that the government should seriously consider setting up a national system in track and field, gymnastics and swimming as a start. He suggests these sports because both sexes are able to participate and because there is no age barrier. It is possible for the very young and everyone up to the late thirties to participate.

The problem is even greater when international competitions are held outside of Canada. I could go on, as other members have—

Mr. Winch: Do not talk it out.

Mr. MacLean (Winnipeg North Centre): —to show the manner in which other countries have attempted to build up a high enthusiasm

for sports in general. However, I would like to spend a few moments with regard to the U.S.S.R. and those nations behind the iron curtain. We have heard tonight the Leader of the Opposition speaking about the importance of sport in international affairs, and how international sport is now connected with countries dealing economically and on government level in the world today. This is quite true. In Russia it is certainly true. At the present time, according to the 1958 sports handbook there are in the U.S.S.R. upwards of 1,500 large stadiums as well as 7,000 gymnasiums, 25,000 football fields, and some 200,000 volley ball and basketball courts in use. In 1957 the Soviet union budgeted for sports some 37,900 million rubles. Think of this. Think of what the U.S.S.R. is doing with regard to international competition in sports, and then think of our own puny contribution with regard to trying to arouse some incentive in our youth to take a more active participation in these games. I do not advocate that we in Canada could or should attempt to duplicate what the U.S.S.R. is doing. I merely point out these facts to show the importance the Soviet union places on athletics. The Soviets must win at all costs, and this surely applies to sports.

This concept is quite neatly summed up in a resolution passed by the third plenum of the Polish central physical culture committee. It states, in part, "The superiority of Stalinist socialist athletics over capitalist athletics must be continually demonstrated." In other words, they attempt to prove that superior athletes are the product of a superior political system and, of course, they have accomplished this, in their own minds, in many devious ways. I was very interested to read a publication put out by Moscow in 1957 called "Wizard of Ice Hockey". This was put out by the Soviet government and is a complete novel dealing with one ice hockey star, their master champion in ice hockey, one Bobrov. I am sure anyone who has followed the Olympic games or the ice hockey games will remember that Mr. Bobrov played for the Russian hockey team. This book deals exclusively with this man from the time he was born until some time last year when he retired. Throughout the novel all we hear is talk about the Soviet athletes, the Soviet super heroes. This is how important it is to Russian teams in international competitions. It takes the reader right through the Olympic championships from the time they beat Toronto Marlboroughs to the triumph for the Penticton team, and then on to the defeat of the Kitchener-Waterloo Dutchmen. I think some parts of this are so interesting—

[Mr. MacLean (Winnipeg North Centre).]

Mr. Winch: Do not talk the motion down.

Mr. MacLean (Winnipeg North Centre): —that I might take the opportunity of putting them on record. This part in question deals with the time they played the Kitchener-Waterloo Dutchmen:

Bobrov—

Their super star.

—had played in games where tension had reached an unbelievable pitch. But he felt that what would happen now would outbalance all that. All he hoped for was that his strength would last and that he could forget that 20 hours ago he had already given all he could to make victory certain. Yet how could he forget? Twenty hours was too short an interval between two matches.

Bobrov saw the squat figure of Floyd Martin, with whom he would come to grips time and again in front of the goal; Donald Rope, whose face was fantastically marked with bruises; the huge Jack McKenzie, the Canadian captain, wearing a red knitted cap; Kenny Laufman with a bandaged head; Gerry Theberge, Bob White, Charlie Brooker —strong, heavy shouldered men, stamping their feet with impatience, and already eager to start the attack—

Then he goes on and describes the game. The game is described minute by minute, second by second, in some 25 pages. At page 64 it says:

The quintettes replaced each other in rapid succession, but now it was all the same to Bobrov whether he was in the field or sitting on the other side of the boards. There was no rest. He was in the game all the time. His comrades probably felt much as he did. Nobody could count himself out of the game for any length of time, it was simply impossible to do that. Once anybody lost the pace for a single second it was doubtful if he could find the strength to carry on—

Yes, it was a fight and nothing else—a bout between wrestlers or boxers. Only they fought it out on ice. The Canadians were losing their heads completely. Sologubov took the puck away from two of their forwards.

This is what they think of international competition. It is a fight. But how much better it is to have this fight on ice between two hockey teams than to have it between two nations with atomic bombs and hydrogen weapons. Let us consider for a few moments how important it would be to the youth of this country for this Canadian government to take an active step in promoting such a Canada sports council with regard to financing and assisting in international competition.

Mr. Winch: Are you in favour of it?

Mr. MacLean (Winnipeg North Centre): I am not in favour of the resolution as it stands. I would submit at this time that amateur sport in Canada is in capable hands, and we should start with international competitions. Then afterwards we can deal with amateur sport as it exists in Canada today. We, as Canadians, should not belittle our achievements. It is only too easy to deplore and criticize, as

probably we in this house are so often doing. We have had some grand achievements in the past, and we will have a lot more in the future. There is no reason at all to believe—and I submit this in all honesty—that our trained Canadian athlete is in any way inferior to any other athlete in the world today. However, in order to demonstrate this conclusively we will have to do something to stimulate the interest and the incentive of our Canadian youth, and I submit that the only way we can start to do that is to provide some assistance with regard to international competition. Our athletes themselves, as an hon. member has said, are our finest ambassadors. We never did demand that they win; we asked them only to put up a good show.

I know that the good wishes of every member of this house go with the Belleville McFarlands. Perhaps I have today dwelt too much on the subject of hockey. I have not meant to. The remarks I have made in the course of my speech refer identically to any other sport as it is played in Canada today.

I cannot support the hon. member for Vancouver-Burrard (Mr. Taylor) in his resolution with regard to amateur sports in general across Canada dealing with all three phases of recreation, physical fitness, and sports. I cannot see that providing extra facilities, extra coaches and extra money to buy things is going for one single moment to make our Canadian youth want to participate more in sports. Our leadership is here and we have adequate facilities. We could use more facilities, we know that, but the only way we are going to increase the degree of physical fitness in Canada today and improve our position with regard to amateur sport is to assist and help in any way this government can in order to promote and give financial assistance to our teams in international competitions.

Mr. R. M. T. McDonald (Hamilton South): Mr. Speaker, I should like to take this opportunity to pass a few remarks on this resolution. First, I should like to congratulate the hon. member for Vancouver-Burrard (Mr. Taylor) for his thoughtfulness in proposing this resolution. I feel today that there is a great need for this type of thing in Canada. I understand there are a few other hon. members who wish to speak on this motion at this time and I should say it will not go to a vote tonight.

Mr. Winch: That kills it then.

Mr. McDonald (Hamilton South): If the C.C.F. had not talked so much about working in the House of Commons on these problems with regard to committees at the beginning of the day we might have got to it.

It seems that the federal government did get into this field when they found that 40 per cent of the recruits going into the Canadian army were not physically fit and had to be rejected. This brought about the National Physical Fitness Act in 1943. The act was passed to assist in the extension of physical education in all educational and other establishments, to encourage, develop and correlate all activities relating to physical development of the people through sports, athletic and other similar pursuits and to train teachers, lecturers and instructors—I am just skimming this through quickly so it will not take too much time—to organize activities designed to promote physical fitness and to provide facilities in this connection.

This was not too successful. We cannot promote physical fitness by enacting laws. We must have something creative across Canada whereby everyone takes part. I have to cut this speech short, but I should like to make two or three comments with regard to professional and amateur sport.

I have had the privilege to play both in track and field and in football and I have had a lot of opportunities to observe the reactions of professional and amateur athletes. I think the resolution put forward today by the hon. member for Vancouver-Burrard was meant to encourage amateur sport in the aspect of mass participation in sports in Canada. I probably have a little different outlook about keeping up with the Joneses such as the United States and Russia and saying that Canada must have a great prestige in the world. I think our prestige will come, but only by hard work.

This is not done by advocating we must have big champion athletes but by getting down to grass roots. We heard during the last election campaign about grass roots and I think the only way to get down to grass roots is to find the teachers who are willing to go ahead and promote amateur athletics. I think the hon. member who spoke last about track and field, gymnastics and swimming had a good idea because this is where Canadians can give of their best because we have all the natural resources of winter atmosphere and summer atmosphere. I think where Russia, for example, won a lot of its points in Olympic games in track and field, the individual sports effort where you can pick out the big, handsome athlete. What they have done is this: they have gone into their educational system and factories. They have found people who want to do something and told them: now you can get ahead and do something. If you give the proper guidance I think it should create an atmosphere across

Canada that will enable us to compete, not next year but perhaps in 1968, perhaps in 1972. It would give us a chance to line up a program of complete activities in this field.

As far as gymnastics, track and field are concerned this could be done right with our own children. I am prompting my children to skate and swim and do these things and I think in the educational system of the public schools, secondary schools and universities there is a great need for this type of work to be done. In gymnastics the Russians put in a continuous drive for 10 years and then walked away with all the prizes in that department. I do not care that Russia is 175 million and we are only 17 million if a complete effort is put out by all the people in Canada. If we set up this type of council as recommended by the hon. member for Vancouver-Burrard it can give the guidance for these people to work but it is up to the individuals all across the country to go ahead and put forth this effort.

In Hamilton we have had a lot of experience in track and field activities of the British Empire games and the Olympics. We have many people who are interested in this matter. But I feel that every person in Canada must get behind this complete program of sports in Canada.

There is one other aspect I should like to deal with for just a moment. There has been talk here today about professional sports, that they are stealing our boys. I think that is quite true in certain instances. I read some reports saying that professionalism is a great worry today and pointing out that not too many boys make the grade. The report also infers that some of these boys go to the bad side of things. I would also point out that in high schools a few years ago they used to stress championship in athletics; they must have one big football team and all the rest of the children would go their own ways. This is not the answer. The answer is that we must all work together to develop sports in Canada. We have the facilities here. We have a country that I think is the best in the world and I think if we all work together and promote every activity across Canada, education in the schools, the Olympic association, the British Empire Association, and so on we can go ahead and perhaps in 10 or 15 years the best of nations will not be looking back at us.

Mr. Winch: Zero. You have talked it out.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the Minister of Trade and Commerce, who I believe is leading the house, what is to be the business tomorrow.

Mr. Churchill: The program for the week was outlined by the leader of the house on Friday, but I will repeat what he suggested for Tuesday and Wednesday so that it will be on the record and everybody will be informed. We propose tomorrow to begin with the supplementary estimates and with the co-operation of the house, if these are finished early, we will follow with item No. 30, the resolution concerning the St. Lawrence seaway; followed by item No. 31, the resolution concerning the Northwest Territories Act; item No. 28, a resolution concerning the National Defence Act; item No. 26, a resolution concerning the Fisheries Improvement Loans Act; item No. 33, a resolution concerning the Federal-Provincial Tax-Sharing Arrangements Act; and then the resolution on the order paper today dealing with parliamentary secretaries to ministers of the crown.

We consider that this will be the program for Tuesday and Wednesday. The leader of the house indicated what would follow on Thursday and Friday when he spoke on Friday.

Mr. Chevrier: It looks like the program for the week as well.

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

ANSWERS TO QUESTIONS

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

SUPREME COURT APPEALS IN FORMA PAUPERIS

Question No. 21—**Mr. Bell (Carleton):**

1. Upon what date was provision first made for appeal to the Supreme Court of Canada in *forma pauperis*?
2. From the said date until the 31st of December, 1958, how many applications for leave to appeal in *forma pauperis* had been made?
3. Of these how many (a) have been granted; (b) have been refused; (c) are still pending?
4. From the said date until the 31st of December, 1958, how many applications have been made by respondents for leave to defend an appeal in *forma pauperis*?
5. Of these, how many (a) have been granted; (b) have been refused; (c) are still pending?

Answer by: **Hon. E. D. Fulton (Minister of Justice):**

1. December 10, 1949, with respect to appellants and December 23, 1949, with respect to respondents.

2. 12.

3. (a) 8; (b) 4; (c) none.

4. 1.

5. (a) 1; (b) none; (c) none.

CORN—GRADING AND PRICE SUPPORT

Question No. 60—**Mr. Martin (Essex East):**

1. Has any request been received by the government since December 1, 1958, asking for an improved grading service on corn delivered to the elevator?
2. Has a request been made since December 1, 1958, by any organization of corn growers in Ontario, for a price support on corn for the 1958 corn crop?

Answer by: **Hon. Henri Courtemanche (Secretary of State):**

1. The board of grain commissioners has no record of any correspondence being received asking for an improved grading service on corn delivered to the elevator.

2. Yes.

FEDERAL GRANTS TO PRIVATE TELEPHONE COMPANIES

Question No. 87—**Mr. Dupuis:**

1. Has the government made any grants to private telephone companies since June, 1957?
2. If so, to what companies and on what dates were such grants made?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Yes.

2. Name	Date of grant authorized by order in council
Dr. Gerard Corriveau for Gerard Prevost	June 17, 1957.
Le Syndicat de Telephone de l'Averne	June 17, 1957.
St. Andre de Restigouche..	
La Cie de Telephone de Piopolis	June 17, 1957.
Compagnie de Telephone de Springhill	June 17, 1957.
Compagnie de Telephone Ste. Cecile de Frontenac	
Compagnie de Telephone Ste. Romaine	June 17, 1957.
St. Rene Goupil de Marsboro	June 17, 1957.
St. Prosper de Rochester	June 17, 1957.
Syndicat de Telephone de Val-Alain	June 17, 1957.
Syndicat de Telephone de Ste. Emelie	June 17, 1957.
Compagnie de Telephone Ste. Francoise-Romaine..	June 17, 1957.
Manitoulin Telephone Co.	June 17, 1957.
Gore Bay Telephone Co...	June 17, 1957.
La Cie de Telephone de Ste. Methode	June 17, 1957.
La Cie de Telephone de Stratford	June 17, 1957.
Compagnie de Telephone de Lambton	June 17, 1957.
Syndicat de Telephone de St. Adalbert	June 17, 1957.
Compagnie de Telephone St. Juste de Breteniere for—Mario L'Heureux....	June 17, 1957.
Mr. Gerard Prevost	June 17, 1957.
Compagnie de Telephone de St. Gerard	June 17, 1957.
Co-operative de Telephone de St. Eugene de Ladriere	June 17, 1957.
Mr. Isidore Ouellet	June 17, 1957.
Syndicat de Telephone de Pelegrin	October 3, 1957.
Syndicat de Telephone de Villeroy	October 3, 1957.
Syndicat de Telephone de Beaurivage	October 3, 1957.
Compagnie de Telephone de Lotbiniere-Nicolet	October 3, 1957.
Compagnie de Telephone de St. Marie de Blandford	October 3, 1957.
Cie de Telephone de Parisville	October 3, 1957.
Syndicat de Telephone de Fortierville	October 3, 1957.
La Co-operative de Telephone de Stornoway	January 25, 1958.

Questions

Name	Date of grant authorized by order in council
Syndicat Co-operative de Telephone de Daveluyville	January 25, 1958.
Compagnie de Telephone St. Leon de Val Racine—Jean Marie Boisclair	March 29, 1958.
Lac a Busque de St. Benjamin	March 29, 1958.
Compagnie de Telephone de Manseau	March 18, 1958.
Mr. Mario L'Heureux (M. M. Gregoire)	March 18, 1958.

ST. LAWRENCE SEAWAY—CONTRACTORS' CLAIMS

Question No. 105—**Mr. Pigeon:**

1. Has the St. Lawrence seaway authority received any claims from the contractors since the beginning of work on the seaway?
2. If so, what are the names of such contractors?
3. What was the nature of the claims and for what reasons were they made?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Yes.

2. McNamara-Pigott-Peacock Construction Co. Ltd., Iroquois Constructors Ltd., McNamara Construction Co. Ltd., Miron & Freres Limitee, Walsh Canadian Construction Company Ltd., Northern Construction Co. & J. W. Stewart Ltd., Atlas Construction Co. Ltd., Canamont Construction Ltd. and Canit Construction Limited, Miron & Freres Limited and The Mannibec Construction Company Limited, Swansea Construction Co. Ltd,. Atlas-Winston Limited, United Waterways Constructors Ltd., Carriere des Trois Pistoles, Inc., Dominion Bridge Company Limited, Canadian Dredge & Dock Co. Ltd., S. D. Miller & Sons, Pentagon Construction Co. Ltd., J. D. Stirling Ltd., Canadian Vickers Limited, John Entwistle, P. Baillargeon Ltee, Rianco Construction Ltd.

3. For extra compensation not authorized by the contracts on such grounds as a rising wage level, alleged undisclosed ground and water conditions, flooding of contract site, alleged interferences with scheduling of work, variations in quantities of work from those estimated in tender documents, additional costs of placing concrete in winter, disputed quantities and difficulties re disposal of excavated materials; and generally because of situations which, in the contractors' estimation, might afford a basis for additional payments.

HOUSE OF COMMONS

Tuesday, February 17, 1959

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

INDUSTRIAL RELATIONS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. R. H. Small (Danforth): I have the honour to present the first report of the standing committee on industrial relations. With unanimous consent of the house I move:

That the first report of the standing committee on industrial relations presented this day be now concurred in.

Mr. Alexis Caron (Hull): I do not want to divide the house on this matter because it has been discussed at length, but for the same reasons we stated earlier we do not care to decide right away that we should sit while the house is in session. I oppose the motion.

Mr. Speaker: The hon member is not opposing the motion being put today? The hon. member is not withholding unanimous consent, but is stating his objection to the motion? Is it the pleasure of the house to adopt the motion?

Mr. Chevrier: On division.

Motion agreed to, on division.

VETERANS AFFAIRS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. W. G. Dinsdale (Brandon-Souris): I have the honour to present, in English and French, the first report of the standing committee on veterans affairs. By unanimous consent I move:

That the first report of the standing committee on veterans affairs, presented this day, be now concurred in.

Mr. Speaker: By unanimous consent Mr. Dinsdale, seconded by Mr. Montgomery, moves that the first report of the standing committee on veterans affairs presented this day be now concurred in.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, we take the same exception to this procedure with respect to obtaining permission to sit while the house is sitting as we have taken to the previous reports from committees. But in order to retain the non-partisan approach in this house to the extremely important question of veterans affairs we will suffer in silence on this occasion.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to raise a point of order here. You have stated in connection with this motion and previous ones that by unanimous consent the motion is made, and you have proceeded to read the motion. Unanimous consent is something that is given or withheld by the hon. members of the house, and it seems to me that the right to withhold unanimous consent should not be taken away. It seems to me that a request should be made for unanimous consent. So there will be no confusion at the moment in the mind of anyone, Mr. Speaker, I may say that I am quite prepared to give unanimous consent on this occasion. However, I do not like the practice being adopted of taking away our right to withhold unanimous consent.

Mr. Speaker: On the point of order may I say that each member who has asked leave to make a motion has prefaced his motion by the expression "by unanimous consent". If any member objects, of course the motion cannot be proceeded with. Also, in putting the motion I have indicated that it must be by unanimous consent. As I understand it, unanimous consent is given to the motion being put but of course that does not mean that the motion is carried by unanimous consent. The motion, in the last two cases, has been carried on division. Is that the point to which the hon. member refers?

Mr. McIlraith: No, Mr. Speaker. My point was that neither the person moving the motion in each instance today nor Mr. Speaker—and I submit this with deference —asked for unanimous consent. Your Honour stated as a statement of fact, "by unanimous consent" and the mover in one case used the word "by" and in the other the word "with".

Mr. Speaker: It might be more correct to separate the stages. When I state "by unanimous consent" and hear no objection, I proceed to put the motion. Does the house give unanimous consent that this motion be now proceeded with?

Some hon. Members: Agreed.

Tabling of Reply Respecting Peace Treaty

Mr. Speaker: Agreed. Mr. Dinsdale, seconded by Mr. Montgomery moves:

That the first report of the standing committee on veterans affairs presented this day be now concurred in.

Is it the pleasure of the house to adopt the motion?

Some hon. Members: On division.

Motion agreed to, on division.

RAILWAYS, CANALS AND TELEGRAPH LINES—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. W. M. Howe (Wellington-Huron): I have the honour to present the first report of the standing committee on railways, canals and telegraph lines. By unanimous consent of the house I move:

That the first report of the standing committee on railways, canals and telegraph lines presented this day be now concurred in.

Mr. Speaker: Does the house give unanimous consent that this motion be proceeded with?

Some hon. Members: Agreed.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: On division.

Motion agreed to, on division.

MARINE AND FISHERIES—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Roland English (Gaspe): I have the honour to present the first report of the standing committee on marine and fisheries. By unanimous consent of the house I move:

That the first report of the standing committee on marine and fisheries presented this day be now concurred in.

Mr. Speaker: Does the house give unanimous consent that this motion be proceeded with?

Some hon. Members: Agreed.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: On division.

Motion agreed to, on division.

EXTERNAL AFFAIRS

GERMANY—TABLING OF REPLY TO SOVIET NOTE RESPECTING PEACE TREATY

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, members of the house will recall that on February 9 I tabled the text of the Soviet note of January 10 to the Canadian government proposing a conference of 28 countries, including Canada, to consider a peace treaty with Germany. At the same time I tabled a copy of the draft peace treaty which accompanied the Soviet note.

I now inform the house that the Canadian reply to the Soviet government's note was today handed to the Soviet embassy in Ottawa, and our ambassador to the U.S.S.R. was instructed to deliver a copy to the appropriate authorities in Moscow.

I take this opportunity of tabling copies of the Canadian reply. As members will note, it reflects the government's view that the many questions raised in the Soviet note could most profitably be examined at a conference on all aspects of the German question, in which the four powers who have special responsibilities for Germany, the U.S.S.R., France, the United Kingdom and the United States, would participate. Until the results of this four power meeting have been assessed it would not be useful to take a decision about the holding of a large peace treaty conference attended by Canada and other participants in the war against Germany.

As reported in the press, Mr. Speaker, the governments of France, the United Kingdom, the United States and West Germany yesterday sent their replies to the Soviet goverment's notes of January 10 proposing a German peace treaty. These replies were considered last week in the NATO council, where the attitudes of other NATO members to the Soviet proposals were also discussed. Although differing somewhat in detail, the replies of the four powers are essentially at one in proposing a meeting in the spring of the foreign ministers of the U.S.S.R., France, the United Kingdom and the United States to discuss all aspects of the German problem.

Hon. L. B. Pearson (Leader of the Opposition): Might I ask the minister whether the four power reply to which he has just referred was considered by the members of the NATO council before it was agreed upon?

Mr. Smith (Hastings-Frontenac): The answer is yes, Mr. Speaker.

CYPRUS—INQUIRY AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister whether the government has been kept informed of the negotiations between the United Kingdom and the Greek and Turkish governments for an agreed

and peaceful settlement of the Cyprus question, which I am sure everyone in this house earnestly hopes will be achieved; and would the Prime Minister be in a position to make a statement in regard to the negotiations?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the Leader of the Opposition gave me notice of this question, which enables me to give an immediate reply. I cannot, of course, report on the negotiations for an agreed and peaceful solution to the Cyprus question at this time, in view of the fact that the formal tripartite conference seeking to achieve such a solution began its deliberations in London only this morning.

Reports have been received of the discussions which the prime ministers of Greece and Turkey concluded at Zurich last week. They indicate that progress appears to have been made toward a solution of the problem, that there has been a favourable reaction to the Zurich talks in the United Kingdom and Cyprus, and that the results of these talks have at least been accepted as a basis for negotiation at the conference in London. The Canadian government and its partners in the NATO council are hopeful that the negotiations being conducted in London will lead to a just and lasting solution to this complex problem which involves three of our NATO allies.

Today, according to a dispatch, the British foreign secretary, Right Hon. Selwyn Lloyd, announced that there were four factors which are considered by the British government to be basic to any solution of this problem namely: The strategic interests of the United Kingdom in Cyprus must be safeguarded in such a way that they cannot be compromised in the future; the two Cypriot communities must be reconciled; Greco-Turkish friendship must be re-established; the Cypriots themselves must be given the opportunity to establish their own institutions.

Further than that I do not think it is possible to go at this moment.

POWER

SAINT JOHN, N.B.—USE OF COAL IN THERMAL PLANT

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Northern Affairs and National Resources. My question is based on a statement made by the chief engineer of the New Brunswick Power Commission, as reported in the Saint John *Telegraph-Journal* of February 12, to the effect that the power commission would save more than $500,000 a year by using oil rather than coal in the East Saint John thermal power plant.

In the light of this statement by the chief engineer, can the minister now reiterate the assurance given to the house last July 1 by the Minister of National Revenue and repeated in the mines, forests and waters committee by the Minister of Mines and Technical Surveys on July 30 last, that coal would definitely be used in the new thermal power plants built in the maritime provinces, including the East Saint John plant?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I believe this policy of the government was made abundantly clear during the last session, and as yet there has been no change in that policy.

Mr. Robichaud: A supplementary question. In view of the minister's statement that there has been no change in that policy, can he explain to this house what is causing the delay in signing a specific agreement with the province of New Brunswick with regard to the East Saint John thermal plant?

Mr. Hamilton (Qu'Appelle): The water in the river has been very high this year, and the amount of power produced by the first two units of the Beechwood plant has been so large that the province of New Brunswick saved money by not going ahead with the original plan for the thermal plant at Saint John.

WATER RESOURCES

CHICAGO DIVERSION—INQUIRY AS TO U.S. LEGISLATION

On the orders of the day:

Mr. N. L. Spencer (Essex West): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs. In view of the statements by the Secretary of State for External Affairs on several recent occasions in the House of Commons to the effect that officials of various government departments are studying the terms of bill H.R.1. now before the House of Representatives in Washington, may I inquire if any further steps have been taken in relation to that bill by the Canadian government.

Hon. Sidney E. Smith (Secretary of State for External Affairs): Officials have substantially completed their study of the purport and contents of the bill known as H.R.1., and I can now inform the house that we are preparing for presentation to the state department in Washington a note of protest against the implementation of this bill.

Inquiries of the Ministry

COMBINES INVESTIGATION ACT

AGRICULTURE—INQUIRY AS TO EFFECTS OF VERTICAL INTEGRATION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct to the Minister of Justice, a question of primary importance to the farmers of Canada.

In view of the rapid development of so-called vertical integration, particularly in the production of poultry and dairy products, as a result of financial assistance and marketing facilities provided by packing houses and feed companies to these producers, and in view of the fact that this trend threatens to develop into a monopoly of production markets with prices of these commodities controlled by packing and feed companies, would the minister have a study made of this situation in order to make certain that no violation of the Combines Investigation Act is involved?

Hon. E. D. Fulton (Minister of Justice): The hon. gentleman was good enough to send me notice of this question. However, owing to other engagements I did not receive it until just before I came into the house. I must say that while a quick study of the implications of the question would indicate that it is one of some importance, the hon. gentleman asks me to take so many "views" that I am unable in the time available on orders of the day to discuss the matter in sufficient detail to give him the kind of answer that his question involves.

I also feel that perhaps I should bring to the attention of the hon. gentleman and of all hon. members opposite the fact that this is the sort of question which does not permit of the kind of reply which should be made on the orders of the day. Indeed, like many questions which have been addressed to us lately, it contains matters of conclusion and opinion which evoke not an answer but a debate.

I would suggest that hon. gentlemen opposite, instead of "viewing" all the things that they do in their questions, should instead view citations 171 to 179 inclusive in Beauchesne's 4th edition and see how they should frame proper questions on orders of the day.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, after that lecture from the Minister of Justice—

Mr. Fulton: Which was long overdue.

Mr. Chevrier: —I shall do my best to so frame my question as not to have it offend against the rules of the house, although—

[Mr. Smith (Hastings-Frontenac).]

Mr. Speaker: Order. I do not know whether the hon. member for Laurier proposes to pursue the point of order raised by the Minister of Justice. If he does I shall be glad to hear him.

Mr. Chevrier: No, Mr. Speaker, I propose to ask a question, but I was prefacing my question with the remarks I have just made. I was going on to say that the Minister of Justice was impinging upon the rights of Mr. Speaker.

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask a question?

Mr. Speaker: Order. Before I entertain any supplementary question by the hon. member who asked this question, I should like to ask if any hon. member disagrees with the view that this question is out of order?

Mr. Martin (Essex East): Mr. Speaker, I was just wondering if you yourself did not feel you should raise a question of privilege over the usurpation of your functions by the Minister of Justice.

Mr. Speaker: The hon. member for Kootenay West has a supplementary question.

Mr. Herridge: Mr. Speaker, after having been duly admonished I should like to ask a supplementary question. Does the minister realize that my views represent statements of fact, and would he give consideration to those facts when he has the leisure and time to do so?

Mr. Fulton: Mr. Speaker, that is exactly the point I was making. The hon. gentleman has stated as matters of fact propositions which I do not at the moment dispute or deny; but before I could answer the question on the basis on which he has put it it would be necessary to enter into a debate as to its implications. That is why I suggest this is not the type of question to ask on orders of the day.

Mr. Martin (Essex East): Order. You are not Mr. Speaker.

Mr. Speaker: I should like to know whether the minister is taking this question as notice or whether he is objecting to answering the question as being out of order.

Some hon. Members: Take it as notice.

Mr. Fulton: Well, Mr. Speaker, I could take it as notice, but my point is that it is not the kind of question that should be asked on orders of the day.

Mr. Pickersgill: Then you should raise a point of order.

Mr. Fulton: If hon. members opposite wish me formally to raise a point of order I shall be glad to do so, and I shall refer them

to some of the citations in Beauchesne, specifically to citations 171 to 179.

Some hon. Members: Order.

Mr. Fulton: Hon. gentlemen asked for this. If they do not like it they should not have asked for it.

Mr. Pickersgill: We love it.

Mr. Chevrier: Now you are in order.

Mr. Fulton: I am always in order, unlike the hon. member for Bonavista-Twillingate.

You will note, Mr. Speaker, that citation No. 171 contains certain rules which must not be transgressed in putting a question. I shall refer to only certain of the rules. The citation reads in part:

> A question oral or written must not:
> (f) contain an expression of opinion.

This whole question contains expressions of opinions. I continue:

> (g) be hypothetical.
> (h) contain inferences.
> (i) contain imputations.
> (j) be framed so as to suggest its own answer.
> (s) embody a series of questions which should be moved for an address or order.
> (w) raise a matter of policy too large to be dealt with in the limits of an answer to a question.

I submit to you, Mr. Speaker, that this question clearly transgresses all these points in the citation, but particularly the last one. I would refer hon. gentlemen opposite, because I know that Your Honour knows this, to citation 173, which contains the following passage:

> The principle on which the practice has been tolerated in past years should be respected, that is, the reading of long series of questions elaborately prepared is not to be allowed on the orders of the day being called.

There are at least three separate "views" in this question. I would also refer hon. gentlemen opposite to citation 174 referring to a question:

> On the 27th May, 1936, a member with the intention of addressing a question to a minister, began to give some explanation about the alleged danger of making a certain mineral area dependent upon the plans of some smelter's company. The Speaker interrupted him and said: "Order. The honourable member ought to understand that he cannot make a speech in asking a question."

I submit to you, Mr. Speaker, that that is—

Mr. Martin (Essex East): Thank you for the lecture.

Mr. Fulton: —a short selection of some of the ways in which questions on the orders of the day have been asked by hon. members opposite, in each case transgressing the rules of the house.

Mr. Martin (Essex East): Thank you.

Mr. Pearson: On the point of order, Mr. Speaker, may I say that we on this side have complete confidence in your ability to decide whether or not a question is in order.

Mr. Speaker: So as not to shatter that confidence immediately, I shall give consideration to this matter and make my ruling tomorrow.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO PRESENT STRIKE POSITION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I shall try not to delay the passing of the supplementary estimates, as the Minister of Justice did, in asking a question which I am sure is in order. It is directed to the Minister of Labour. I would ask the minister if he has anything to report on the position of the negotiations between the unions representing the 1,300 employees of the C.B.C. and the C.B.C.

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker, I have not.

Mr. Chevrier: May I direct that same question, in the absence of the Minister of National Revenue, to the Acting Minister of National Revenue.

Hon. J. M. Macdonnell (Acting Minister of National Revenue): The position is this. There was a mass meeting of the strikers on Sunday, and there is to be a meeting this afternoon between the C.B.C. and representatives of the strikers.

(Translation):

INDUSTRIAL RELATIONS

INQUIRY AS TO AMENDMENTS TO LEGISLATION

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to address a question to the Minister of Labour. Is the minister considering the advisability of revising certain enactments included in the labour legislation of Canada?

(Text):

Hon. Michael Starr (Minister of Labour): Mr. Speaker, in answer to that question I wish to inform the hon. member that organizations interested in the act have, at my request, submitted certain suggestions which are now being studied in the Department of Labour as possible amendments to the Industrial Relations and Disputes Investigation Act.

Inquiries of the Ministry

USE OF JUDGES AS CONCILIATORS IN LABOUR DISPUTES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to address a question to the Minister of Justice. Will the minister comment on reports that his department is taking steps with relation to section 37 of the Judges Act to curb or stop judges from serving as conciliators in labour disputes?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, no legislation is contemplated at this session with regard to that matter. I have expressed to various interested persons the concern of the government with respect to the amount of time that judges are sometimes called upon to serve off the bench on extrajudicial matters. No decision has been reached, and in view of the complicated nature of the situation and the important problem to be solved it will probably be some time before any definite steps are taken.

CANADA CAR

REPORTED CONTINUATION OF PLANT OPERATIONS

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, in the absence of the Minister of Public Works I wish to ask the Prime Minister a question. Can the Prime Minister confirm the announcement carried in Fort William and Port Arthur newspapers of February 16 and made by George Wardrope, M.P.P. for Port Arthur that the Canadian Car plant in Fort William will not close but will receive a tremendous portion of government contracts?

Mr. Speaker: Order. Having been recently referred to citation 171 of Beauchesne, I am reminded by the hon. member's question that it is not according to the rules to cite a statement from a newspaper and ask a minister whether or not it is true. If his question is limited to that, it is not in order.

BUSINESS OF THE HOUSE

INQUIRY AS TO AMENDMENTS TO UNEMPLOYMENT INSURANCE ACT

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Labour whether, in view of the D.B.S. unemployment figures published yesterday, he can tell the house, pursuant to the observations made by members of the government two weeks ago, when we may be expected to deal with the amendments to the Unemployment Insurance Act.

[Mr. Starr.]

Hon. Michael Starr (Minister of Labour): Mr. Speaker, amendments to the Unemployment Insurance Act do not provide jobs for the unemployed. At the moment we have an item of $15 million in the supplementary estimates which we hope to put through the house so we may be able to recompense the municipalities through the provinces for our share of direct payroll costs.

Mr. Martin (Essex East): Is the Minister of Labour not aware that while unemployment insurance assistance does not provide jobs it will provide relief and maintenance for many thousands of people who are out of work?

Mr. Starr: Mr. Speaker, I am very much aware of that fact. With that in mind the government extended seasonal benefits for an additional two months last session and then an additional six weeks, and the two months extension is now in effect permanently.

REQUEST FOR EXTERNAL AFFAIRS DEBATE

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Secretary of State for External Affairs if he is in a position to tell the house when we may expect to have the opportunity to debate external affairs? The house has now been sitting for a little over a month, and perhaps the minister could give some indication of the government's intention with regard to the business of the house in that particular.

Hon. Sidney E. Smith (Secretary of State for External Affairs): Such a matter is left to the house leader. I can say that the acceleration of that debate will depend on the prolixity of discussion on the matters coming before the house.

Mr. Martin (Essex East): Would the minister not regard my question as one that was put to him in the friendliest terms? Would he, in view of the importance of this matter, think it worth while to discuss the matter with the house leader or possibly with the Prime Minister, whose interest in these matters is understood to be paramount?

AIR TRANSPORT

AUSTRALIA—INQUIRY AS TO RENEWAL OF AGREEMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to either the Minister of Transport or the Secretary of State for External Affairs; I would think it concerns both departments. It has to do with an article which appeared in the *Financial Post* of

February 13 in which Canadian Pacific Air Lines is reported as stating that it must give up its air route to Australia unless the agreement with Australia is renewed. The article goes on to state that Canada has nothing to offer Australia—

Some hon. Members: Order.

Mr. Chevrier: —following the negotiations that have taken place. In view of this statement, which is a rather serious one having to do with a commonwealth country, has the minister any comment to make?

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, on February 6 I informed the house that the service that had been prevailing between Australia and Canada in respect to air flights had been extended from February 10 to March 11, and I assured the house at that time that Canada was pressing for a continuation of that service. The air agreement between Canada and Australia was signed at Ottawa on June 11, 1946 and it provides for direct air services between the two countries. From time to time discussions have taken place as to the frequency and capacity of flights for this direct air service. The frequencies are controlled by licences issued under the agreement by the aeronautical authorities of both countries, and the air agreement has been interpreted somewhat differently in this regard by Canada and Australia.

As I informed the house on February 6, discussions are now taking place with Australia to resolve these licensing difficulties, and every effort will be made by the government to maintain reasonable conditions for the Canadian air carrier operating over this route.

HARBOURS

MOOSONEE, ONT.—AGREEMENT WITH ONTARIO FOR DEVELOPMENT

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I had a question for the Minister of Public Works but in his absence perhaps I might direct it to the Prime Minister. Because of the importance of the Moosonee harbour project to the future development of Canada, and northern Ontario in particular, can the Prime Minister say whether an agreement respecting this development has been reached with the government of Ontario? If not, will he comment on the progress of these negotiations?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I realize the great importance to the province of Ontario of the establishment of this port. I can add nothing to what has already been said in that connection. No agreement has been entered into.

IMMIGRATION

DIRECT ENTRY OF EUROPEAN IMMIGRANTS—U.S. PROTESTS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Can the minister give us any information on negotiations with United States officials over protests by that country respecting the policy of her department to enforce direct entry of European immigrants into Canada?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, this matter has received a considerable amount of consideration by the department. I was under the impression that the last conference we had with the officials concerned had been amicably concluded. That conference was some months ago. If something else has occurred since that time I would be glad to secure a further report for my hon. friend.

Mr. Fisher: My question has reference to a meeting that was held a week ago today. The United States comment arising from that meeting was to the effect that the Canadian proposal is thoroughly impractical. I wonder if the minister would check and see if that was the reaction of United States officials?

Mrs. Fairclough: I have already said I would be glad to get a report on that matter.

SUPPLY

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

DEPARTMENT OF LABOUR

709. Payments to a province during 1958-59 and 1959-60 fiscal years in accordance with an agreement entered into by the government of Canada and the province, with the approval of the governor in council, that provides for contributions by the government of Canada of amounts not exceeding one half of the cost of labour incurred in the period from the 1st day of December, 1958, to the 30th day of April, 1959, on winter work projects in municipalities as contemplated by the agreement, $15,000,000.

Mr. Regier: Mr. Chairman, when last we had this item before us I was indicating—

The Deputy Chairman: Order. I wonder if those members who are leaving the house would please do so quietly so we may hear the hon. member who has the floor.

Mr. Regier: I was indicating on Friday of last week, when our consideration of this item was interrupted, that in my opinion

there are two serious national economic issues facing us at this time. One is the matter of inflation, and the other is the matter of unemployment. I believe that is fairly well recognized in all parts of the house. We have not yet heard the government's program to deal with the matter of inflation. However, we hope to hear of that at the time the budget is presented.

We have here an indication that the program for dealing with unemployment is very limited indeed. The very name by which this matter is commonly known is an indication of the limited nature of the program that is being offered, because it is commonly referred to as the winter works program. Unemployment in Canada at the present time is much more serious than something that would be taken care of by merely a winter works program. We need a more basic solution than that.

However, even though this is the only specific solution being offered at this time, we in this group will not hesitate to support the vote of $15 million here requested. We feel that this program, limited though it is, would have been much more effective had it been offered to the provinces and to the municipalities much earlier. We regret also that the terms limit participation by the federal government in this relief project to a period of only five months of the year. We know from all indications, and especially in the light of the figures that were revealed only yesterday, that we will have a serious unemployment problem in the month of May, at which time this program will have ended.

We regret that the program is not extensive enough, and is very limited in the number and type of projects that can be included. We realize that the number of unemployed who are going to receive help, who are going to be supplied with employment under this measure, is a very small portion of the hundreds of thousands who are actually unemployed. We realize that this measure meets only to a small degree the larger needs of municipalities which they are hoping to meet by participation in this program.

Looking at the amount of money asked for, Mr. Chairman, and doing a little arithmetic of our own, we find that we are being asked for $15 million to supply assistance for five months. This means $3 million per month. The expectation of the minister is that normal wages are going to be paid, at least normal wages, and I am very pleased to note that he made mention of that. If we assume that $300 per month will be paid for the five months period, according to my arithmetic that only gives employment to about 10,000 men in Canada. If you have $15 million divided by five and divided by $300 per month, you arrive at 10,000 men employed.

I fail to reconcile that with the very hopeful prediction of the minister last week when he indicated that with only half the money used thus far he was already assured of 22,712 men being employed. I hope the minister will at some later point be able to reconcile the great variation that exists between dividing $15 million by five, divided by $300 per month, resulting in 10,000 men being given assistance, and his statement. The minister told us that with apparently only half the expected projects in yet, and with only half the money being used, he already arrives at a figure twice as large as the one at which I arrived.

If we provide employment to 10,000 men of the 500,000 who are unemployed, we are only assisting 2 per cent of the unemployed of Canada. Even if the minister's prediction is borne out, and for every man given employment on-site there will be three men given employment off-site, we would only be giving assistance to about 8 per cent of the unemployed of Canada.

One of our major complaints about this program is that it involves a heavy and costly burden on our municipalities. There have been so many estimates made the portion of these projects which consists of labour costs that one finds it difficult to arrive at a decision. The minister gave us an estimate of some 38 per cent. I do not know what kind of a hat that particular forecast was grabbed from, but from the information I have been able to obtain from municipal officers in many parts of Canada, labour costs on these winter works projects will run from a low of 2½ per cent to a high of 12 per cent.

When we consider that this offer means that Ottawa will pay only one-half the cost of labour, it means that the labour cost involved that Ottawa will pay in relation to the cost of the undertaking as a whole is somewhere from 1.25 per cent of the cost to a high of 6.25 per cent. To take the smaller figure, with $15 million on the part of the federal government this means that our municipalities, if they wish to take full advantage of this offer, will be obliged to expend the sum of $1,170 million; or even if we take the more optimistic forecast, namely that one eighth of the cost of these projects is labour content, then for the $15 million that Ottawa is willing to spend or is prepared to spend, our municipalities will be obliged to spend $210 million.

If these figures are anywhere nearly accurate, Mr. Chairman, then I must say at

this time that even the old municipal improvements assistance act which was instituted in the hungry thirties by a former government was of far greater value to the municipalities, both as a relief of unemployment measure and also as a local improvement measure, than this present winter works program.

I must say this. What is $15 million of an investment by this federal government when we consider the fantastic loss to the national wealth in having half a million people unemployed even for one day? In one day we lose $6 million of wealth as the result of half a million people being unemployed. If we keep half a million Canadians unemployed for the five months to which this item refers, then the national economy will have lost $600 million of wealth. Yet we have in office a government which in its efforts to avoid this huge loss as a result of unemployment can offer only $15 million.

On Friday the minister gave us some statistics. For the $15 million the federal government is intending to spend, he said there had already been submitted accepted projects totalling $57 million, of which he claimed that 38 per cent would be in labour expenditure. The federal government's share of that amount, he said, would come to $7,751,000. Even accepting the minister's estimates, this federal government is offering to pay some $7 million out of an expenditure of $57 million. Mr. Chairman, this does not look to me as though this government is accepting much responsibility, when the offer is made to our hard-pressed municipalities that this government will spend $7 million if the municipalities will agree to spend $50 million out of their own resources.

Again accepting the minister's figures, we find that he says this will give employment of 1,226,358 man days. Dividing this figure by five, then dividing it by four and dividing it again by five months, according to the minister's own estimate we find it producing aid to 12,264 men for five months. I hope the minister will explain how at the beginning of his talk he predicted employment for over 20,000 men if half this money was going to be spent, indicating indirectly employment for 40,000 men. Taking the number of man days he mentioned, dividing by five because there are five work days in the week, and dividing by four because there are four weeks in the month, and then dividing by five again because five months is the average period this project is intended to serve, you come to only 12,264 men for a five-month period. That is taking the minister's own estimate and the number of man days of employment that are going to be given.

Even taking the minister's own estimate we must come to the conclusion that only 5 per cent, and not more than 5 per cent at most, of the unemployed in Canada are going to receive assistance from this measure. It is hardly sufficient in this day and age for a federal government of Canada to say to 100 unemployed men, "Look, we cannot help you all; we will help five out of the one hundred." That is hardly in keeping with concepts and expectations that have been built up in Canada over many long years now, beginning with the green book offer of 1945 that the federal government should assume all responsibility for all employable unemployed in Canada. It is certainly not in line with the expectations that were raised among the Canadian electorate before the election of either 1957 or 1958.

We now get the advice, "Yes, you will get a little bit of help from Ottawa, provided you are prepared to load a fantastic tax burden on the homes of Canadians living within your municipality". That is in effect what this offer amounts to. The minister is offering $7 million if municipal councils are willing to saddle the home owners with a debt burden of $50 million. That is what this offer amounts to, based on the minister's own estimate. Even if his estimate is right, I maintain that this is expecting far too much of our municipal officials, who have reached about the limit of the taxes they can impose back home where the debt burden of the municipalities is coming close to the maximum.

I should like to refer to one statement made by the minister as reported at page 1018 of *Hansard*. He stated in effect that this plan was evolved out of a meeting on unemployment called last summer, and a later meeting with the mayors and reeves of our municipalities. Referring to the municipal officials who were in Ottawa he had this to say, as reported at page 1018 of *Hansard*:

> In other words, they felt they could proceed with some of their municipal projects in the winter time provided the additional cost was offset by a contribution from the federal government.

It may well have been that when the minister urged the municipalities to undertake public works in the winter months, they put before him the argument that winter construction costs are higher, and the idea may have been expressed that some compensation ought to be paid. However, I am sure the mayors and reeves never meant to convey the idea that, as municipalities, they were willing to assume the burden of unemployment relief works and that all they were asking was that the extra costs caused by winter weather should be borne by the federal government. These figures I have spoken

of indicate that all Ottawa seems prepared to do is to carry the extra burden caused by our inclement winter weather. Mr. Chairman, this whole program is too small a share of too limited a program, arriving much too late in the season to be of any major assistance in the matter of unemployment.

Mr. Valade: May I ask a question of the hon. member who has just sat down. When the hon. member mentioned that only 10,000 men were going to be employed with the money voted by the federal government, did he take into account the number of persons who would be employed in the industries supplying the materials and machinery to do this work in the cities of Canada?

Mr. Regier: Yes, I did. I indicated why, and I also had a full appreciation—and I said so in my remarks had the hon. member been listening—of the claim of the minister that for every one directly employed there would be three employed in off-site jobs, and I am not arguing with that at all.

Mr. Smith (Calgary South): Mr. Chairman, I wish only to take a moment, because this legislation under discussion will most certainly pass. I would like to suggest to the hon. gentleman who has just taken his seat that it should not to be construed to this house or to the people of Canada that there is any general dissatisfaction with this item. I have here one example, and there are many others. This is a letter from the Calgary labour council; a member of a body which I believe my hon. friends are intending to court, with apparently no success as yet, in the labour movement of Canada. In the opening paragraph this letter states very clearly that they commend the government for taking this action, and in a subsequent paragraph they say that they feel the result of this policy is good. In the Calgary area approximately $2½ million will be approved, which will of course materially help to reduce unemployment. That is but one example.

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

Mr. Smith (Calgary South): Yes, when I am through.

Mr. Howard: I only wanted to ask, would he table the letter?

Mr. Smith (Calgary South): Yes, I will be very happy to do so. As I was saying, this is but one example of the attitude of a great number of organizations in connection with the success of this program. I think the house must keep in mind that this is but one of the moves which are being made to answer, at least in part, the problem of unemployment as it faces Canada today. It is not a whole program in itself but only a contribution to it.

I think, too, Mr. Chairman, while I am on my feet I would like to make a suggestion in recognition of the problem as it affects certain areas, based on their climatic conditions or geographical position in our country. I think any future consideration of a program of this type should keep in mind that it is difficult, with sub-zero temperatures, to take full advantage of the offer which in effect is going to require the extensive supplying of concrete for sidewalks and other works which can be included in this entire program.

I also have a letter from the association of professional engineers. They make a suggestion which I think is worth while to consider, that the construction of roads and streets being to some extent impracticable because of climatic conditions in certain areas, such construction work as building homes for the aged and hospitals should be considered. In other words, Mr. Chairman, what I am suggesting is that some flexibility in a future program of this type should recognize the difficulty which exists in sub-zero areas of Canada taking complete and full advantage of the suggestions which were offered, I believe very generously, by the government.

I also think, in the same sphere, that consideration should be given to providing assistance in the development of plans and engineering designs, because many municipalities will not have undertaken at an early stage some of the major projects upon which they would like to commence work. These two suggestions I offer in the hope that if a future offer is made in any other year, considerations can be given to them.

Mr. Houck: Mr. Chairman, I know all the members of the house will agree with me when I say that I think one of the greatest catastrophes which could befall any person is the loss of employment whereby he or she provides the means of subsistence for his or her family. It is for that reason, Mr. Chairman, that I want to say a few words in regard to this item.

I think I can speak with some feeling, without boasting whatsoever, because I have had some experience as mayor of Niagara Falls. I think the Minister of Labour will agree with me when I say that one of the drawbacks and one of the reasons we have to prepare some sort of plan for winter unemployment is the fact that automation has stepped in. The advanced machinery age has stepped in, which deprives a lot of men of work throughout the winter. It was not too many years ago when in

Niagara Falls, when we had a snowstorm, we would hire about 200 to 250 men and take quite a few days clearing the snow away. Now with three snow loaders and a number of trucks we can do the same job with 10 or 12 men, and they certainly take the place of manpower.

I think one of the things we must impress upon ourselves is that too many people are looking to the higher levels of government, rightly so or not, for work to be provided. I believe this is a co-operative affair. I feel that the municipalities, the provincial governments and the federal government must co-operate; and not only that but industry, whether large or small, and municipalities must also co-operate in this matter.

There are certainly a lot of jobs that can be done, as the previous speaker said, in the winter but which are done either in the spring, summer or fall. I have a friend who is a large contractor. He always said to me, and I will never forget it, "I try to do the jobs in the summer which I can do. There are only two jobs I can't do in the winter, and they are anything in regard to soil and outside painting. I do the construction, the basic work, in the summer and fall and leave the inside work for the winter so I can provide employment for my men". I was also talking to another contractor, who said, "I try to hire men who have a dual capacity as mason and plasterer. I do the work outside in the summer and fall, the masonry, the soil and painting work, and then I put these masons plastering and painting inside during the winter."

I think this is all bogey talk. We hear so many people say you cannot do a certain job in the winter, that it must be done in the summer. Manufacturers as well as governments have to learn that almost 90 per cent of the jobs can be done in the winter as well as summer.

What does the Department of Labour say about seasonal unemployment? The Department of Labour refers to seasonal unemployment regarding economic and social waste in these terms:

> Seasonal unemployment in real terms means inability to utilize available manpower and productive capacity and maladjustments in the allocation of resources, all of which impose additional cost on the economy.

Seasonal unemployment, like most any other type, creates a feeling of insecurity and dissatisfaction on the part of those who bear it most directly.

Mr. Chairman, it has been said by the hon. member for the C.C.F. party that there are some objections to this plan. In the first place, it is too little and it is too late. In the second place, a lot of the municipalities cannot afford it. In the third place, many municipalities are not taking proper advantage of it even if they can afford it. But I think a point which is of paramount importance is the fact that municipalities cannot afford the supplies. If the government had included supplies I am sure many, many more municipalities would have taken advantage of this program.

Now, I want to say to the Minister of Labour that I think he did a very fine thing when he called that conference last July. I congratulated him at that time, because I thought it was a proper thing to do with unemployment coming, as it was sure to, this winter. But people who attend conventions, and I have been to plenty of them, go to them full of pep and enthusiasm and say, "Oh, yes, we will do this and we will do that". They pass all kinds of resolutions about what they intend to do, but the moment the door of the conference hall is closed behind them they lose their enthusiasm and lose the vigour with which they were holding forth about the ideas promoted at the convention.

If there is one criticism which can be made of the minister it is this. It can certainly be said of him that he was too late in getting the instructions out to the municipalities. My colleague the hon. member for Essex East asked on a number of occasions in August if a report had been received by the cabinet in connection with this convention, and the minister replied that it had not. The municipalities received a telegram from the Prime Minister in the last week of October. We on this side certainly thought the conference should have been held in time to enable plans to be formed. Plans should have been in the hands of the various municipalities by the end of September at the latest, because the municipal governments must know on what basis they are to plan, they must study their budgets and be given information as to what lies ahead. In this respect the Minister of Labour has a most important task on his hands.

May I offer this suggestion to the minister, and I do so with all possible friendliness; in fact, I should like to offer him two or three suggestions. First of all, he should call together the ministers of labour of the various provincial governments and have them meet here in Ottawa as soon as possible to talk over not only the question of winter unemployment but the subject of unemployment in general. The ministers of labour should then return to their provincial governments, call in the reeves and mayors of the various municipalities and discuss at once

with them the answer to the problem which is bound to be presented by unemployment next winter.

There is a further suggestion I should like to make to the minister, and I think it is a feasible one. The hon. member for Calgary South has referred here to work being carried on in April and May. We have this problem arising in Niagara Falls, namely that it is almost impracticable to undertake work on sidewalks and similar projects in the month of April. The same is true, I know, in other municipalities, and I hope the minister will endeavour to persuade the government to agree that this work can be carried on until at least June 1, in order that more municipalities may be able to take advantage of this provision and go ahead with their schemes.

I often wonder about this situation, and sometimes I shudder to think of it. Suppose the Liberal party were responsible for the government at the present time, and suppose unemployment were as high as it is today—of course it would not be as high if the Liberals were in power. I shut my eyes and imagine how the Minister of Labour, in his genial way, would criticize us. Certainly the hon. lady who is now Minister of Citizenship and Immigration would be at our heels almost every day complaining about the situation as, I have no doubt, would the Minister of Finance. He would be doing his homework every night in an effort to find arguments to direct against us, using the same arguments that we are using now.

Hon. members opposite may ask us, what are you offering as a solution? Well, there are two or three suggestions which I am offering toward a solution, and with regard to the first of these I believe the Minister of Finance will be in agreement with me. This is an old chestnut. I have heard many fine speeches in this house and many fine arguments advanced in favour of the elimination of the automobile tax. The Minister of Finance certainly made some when he was in opposition, and I am sure if the government could see fit to remove this tax it would have splendid results in keeping men at work. Cars would at once become cheaper, and many more people would be buying them.

I should like to point out to the committee that there are almost half a million people connected with the automotive industry, which provides about one in ten of all the jobs available in the country. When one considers that we have in Canada over 5,000 automobile dealers, well over 15,000 independent garages and over 18,000 service stations, the importance of this industry to employment becomes apparent.

[Mr. Houck.]

There is another thought which occurs to me, and perhaps in speaking about this I am being somewhat selfish because the problem arises in the Niagara district more acutely than anywhere else. We could put a lot of men at work in the Niagara district if it were not for the 25 per cent duty imposed by the United States government on crushed stone. If this duty could be removed at least half a million tons of crushed stone per year, and perhaps twice this amount, could be sold to a value of almost $1,500,000. This naturally would mean more winter work, more work for truck operators, loaders and others.

There is a large potential market for crushed stone in the United States, particularly in the Niagara Falls, Buffalo and Cleveland areas, but unfortunately with this 25 per cent duty we cannot compete. If the minister would get together with his counterpart in Washington with a view to eliminating this duty the result would go a long way toward eliminating unemployment in the Niagara district. The latest figures which are available to me show that in 1956 Canada imported from the United States crushed stone to the value of $1,162,900, while Canadian exports to the United States amounted to a little over $49,000. There is obviously room for Canada to benefit in this direction.

There is a further matter, and I believe the Minister of Finance will agree with what I have to say on this subject also, because he is as familiar with the subject as I am. I spoke about it during the debate on the speech from the throne. I believe one of the ways by which the federal government could help relieve unemployment would be by restricting the dumping and unfair importation of cutlery and plastics from the United States and Japan. In the last two weeks the silverware companies of Niagara Falls have had to lay off another 150 men, because no silverware made in Canada can possibly compete successfully against products manufactured at very low cost due to the poor wages and inhuman conditions governing the employment of Japanese workers.

I might point out that the soap companies, which as hon. members may know include prizes and premiums with their products, have not put into their packages a single piece of silver made by companies in Niagara Falls for a very long time, whereas two years ago they were buying large quantities of this merchandise from Niagara Falls. If we could recover this trade it would mean employment for 400 or 500 men.

The Deputy Chairman: Order. I am sorry to have to remind the hon. member for

Niagara Falls that we are discussing a contribution toward labour costs by the federal government, not generalities or importations which are subject to customs and tariff duties.

Mr. Houck: Well, I will try to get the engine back on the track if I can. I appreciate your correction, Mr. Chairman, but I was pointing out one way of increasing employment in Niagara Falls. If these men are to be put back at work we must certainly offset the consequences of importing this type of product from Japan.

Winter unemployment, as I need hardly point out, has a most unfortunate moral effect. A man walks the streets all day and when he comes home his wife asks him, have you got a job? The man says he has failed to find work, and this is the cause of many wrecked homes. Many of our younger generation, after walking the streets looking for jobs in vain, are tempted to turn to occupations which are less than honest. The prisons are filled with people who were trying to find some substitute for honesty. If we could make more winter employment available it would go a long way toward coping with this problem.

I want to pay my respects to the government, and through the government to the Minister of Public Works. When the estimates were tabled a week or so ago I learned that they included provision for a new post office and a new unemployment insurance building in Niagara Falls. May I urge the minister to get the projects under way as soon as possible so the outside work may be done this coming summer and thus provide plenty of employment for workers in this area. At the same time I would urge him to start construction of the new post office at Stevensville, which would provide that small community with work during the winter. I know that the construction of two large buildings of this nature in Niagara Falls will assist in alleviating the unemployment problem there.

The worst thing that can happen to an employed man or an unemployed man is to become a victim of fear with respect to whether or not he can adequately provide for his family. The workers of Canada are contributing to the development of our country. We want them to feel a sense of justifiable pride in the work they are doing so they can throw back their shoulders and stick out their chests content in the knowledge that they are making a valuable contribution to the nation. It is important that they do not become victims of discouragement or fear. Above all we must not permit them to lose faith in Canada.

I wish to refer again to winter unemployment in Niagara Falls. I have in my hand a statement made by the mayor of Niagara Falls in his inaugural address delivered during the first week of January, in which he said:

> In the beginning of 1958 there were 1,937 males and 1,042 females or a total of 2,979 persons registered at the local employment office for the area. Of the persons registered 2,880 were drawing assistance.

I might explain that the area embraces Niagara Falls, Chippewa and Stamford. The mayor went on to explain that as of December 24, 1958 there were 2,175 males and 1,248 females or a total of 3,423 persons registered, and of this total 3,272 persons were drawing assistance. This certainly indicates a very serious unemployment problem. He then went on to discuss the plans of the city of Niagara Falls concerning the construction of sewers and water mains at an estimated cost of $109,000, of which the city's share is $86,300, with a view to relieving the situation.

I believe it would be interesting to the committee to present a comparison of the portion of direct relief paid by the city, which of course is 20 per cent, to the amount received from the federal government through this plan designed to alleviate unemployment. I have prepared a table showing a breakdown of the construction of a 6-inch water main and a 24-inch sewer, showing the number of man hours of unskilled labour represented in each project, the amount to be paid by the city and the amount of direct relief paid by the city. The table is based on a wage rate of $1.25 per hour in accordance with the regulations which provide that the wages paid on any project eligible for assistance must be the current wages for that type of work prevailing in each community. The portion payable by the city for direct relief is based on a family of five—a husband and wife and three children—for whom the maximum monthly payment is $162. The table is as follows:

Item	No. of Man Hours Unskilled Labour	Amt. to be Paid by City (25%)	Portion of Direct Relief Paid by City (20%)
6-inch water main	1,092	$340.00	$205.74
24-inch sewer ...	1,964	615.00	366.12

There are countless opportunities for employment in Canada through the inauguration of various projects. Some 30 years ago Canada was just a child or a young boy. In the last 30 years our nation has grown to manhood, and is the envy and admiration of all countries of the world. Certainly the

payment of $15 million to provide employment represents just a peanut policy on the part of the government, if I may use that vernacular expression. I presume that with the share contributed by the provinces the payment will be in the neighbourhood of $30 million, which is still just a drop in the bucket.

We have heard much talk about vision. I hope all hon. members in this chamber have vision and I know they have, but vision must lead to concentrated and vigorous action in order to be effective. I know the Minister of Labour will certainly give us some action if he is permitted to do so. May I say to that hon. gentleman in a friendly spirit that I appreciate that he recognizes the plight of the unemployed. He represents a riding that has serious unemployment problems, and he is as familiar as any hon. member in this committee with the problems besetting his constituents.

May I use the parlance of the automobile industry in directing my next remarks to him, and I do so because his riding is the centre of a large automobile industry. In all seriousness I suggest to him that he should change the type of gasoline used in the machine of his department and in the cabinet of his government as well. Let us get the machine out of neutral and put it into high. If I were in his place I would start feeding the members of the cabinet tranquilizing pills. I realize that all ministers are proud and jealous of their departments, but in my opinion the department of the Minister of Labour is one of the most important in the federal government. I believe he is doing an excellent job in his department, but he is running up against a bulwark of jealousy in the cabinet because some of the ministry are jealous of their departments and want more money for them.

The minister has shown a great deal of fighting spirit within this chamber in the last few weeks, and I urge him to take that kind of spirit into the cabinet and demonstrate to the other ministers that there is a need of more money for unemployment relief projects. If this were done I am sure the minister would win the gratitude of all Canadians.

In all seriousness I say that the workers who are contributing to the building of Canada today have the same spirit that animated their forefathers of old when they molded a great dominion out of a vast wilderness. However, the Canadian workman must have his fear of unemployment dispelled. He must be offered the encouragement of increased employment opportunities in order to make Canada the great nation it potentially is.

We have heard much talk about the north, and I congratulate the Minister of Northern Affairs and National Resources on his vision concerning the potentialities of the north. I hope his vision will soon become a reality involving the establishment of new homes, factories and jobs in our country. Perhaps the old saying "Go west, young man, go west" will become "Go north, young man, go north".

May I assure the Minister of Labour that Her Majesty's loyal opposition is behind him 100 per cent in whatever he may do for the unemployed. We hope he will win the co-operation of his cabinet colleagues in bringing in additional unemployment relief projects so that Canada may become the great country it deserves to be.

(Translation):

Mr. Pigeon: Mr. Chairman, I do not wish to talk very long, but I should like to congratulate the government which, through the Minister of Labour (Mr. Starr), has made $15 million available to the municipalities for wintertime municipal projects.

I may say to the minister that the city of Joliette has taken advantage of that offer and is very happy about it. Indeed in a recent letter to me, mayor Camille Roussin said that the city was satisfied with the assistance it had obtained from the federal government. May I point out, too, Mr. Chairman, that there is less unemployment in Joliette now than there was last year at the same date. So, when I hear hon. members of the opposition talk about recession, crisis and unemployment, I like to refer to the debates of the House of Commons and particularly to a speech made by the hon. member for Laurier (Mr. Chevrier) who was then member for Stormont. During the 1937 session, the present member for Laurier, who was then member for Stormont said, as recorded on page 61 of *Hansard*:

> At the present time, the working masses are suffering;

So stated the hon. member for Laurier who was then member for Stormont. And who was in power at the time? None other than the Liberal government.

On referring to the speech then made by the hon. member, recorded on page 63 of *Hansard* for January 18, 1937, here is what

the hon. member for Stormont, now member for Laurier, said, and yet it was the Liberal government that was in power at the time:

During the depression, Mr. Speaker, many corporations pay and are still paying enormous salaries to their directors, and hand out huge dividends to their shareholders, but they failed and are still failing to pay to their employees a just and equitable wage . . .

The time has come, to my mind, when there should be state intervention.

And the hon. member for Stormont went on to say:

—this house holds in its hand a powerful weapon with which it might strike, and that is the tariff. Many industries are in need of a protective tariff. There are some which could not carry on without it. I believe that every legitimate industry should be protected, but upon the distinct understanding that it will pass on to its employees in the way of better wages and better working conditions, the benefits of this tariff so ardently sought.

I think, Mr. Chairman, that the statements made by hon. members in the opposition are somewhat at variance with what they said when they were in power.

And going back a little farther still in *Hansard*, I note that during the 1939 session—

The Chairman: Order. I do not see that the remarks of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) have much to do with the item now under discussion. I think that to be in order the hon. member should get much closer to the matter under consideration.

Mr. Chevrier: Mr. Chairman, subject to your agreement, I would ask that the hon. member for Joliette-L'Assomption-Montcalm be allowed to go on—though I do not know whether he is in order—but I would like him to continue reading into the record that speech I made at the time, because it did not have the meaning that the hon. member suggests. The purpose of the speech was to place before the house the social conditions existing at the time, and the whole speech deals with this matter. I also described at the time the Church's social doctrine in connection with workers and industry in Canada.

Mr. Pigeon: Mr. Chairman, the hon. member for Stormont was speaking in terms of recession at the time he was discussing unemployment, and the trouble workers were having in finding jobs. In a word, he was talking in terms of a depression, and yet it was his government that was in power at the time.

To go on, Mr. Chairman, here is a statement made by the hon. member for Stormont on June 22, 1938, as recorded on page 4154 of *Hansard*:

And incidentally, Mr. Chairman—

The recession in the United States began some time during the summer of 1937, and because of our intimate relations with our neighbour to the south, soon afterwards we began to feel the effects of that change. But let me say, sir, that this government took what I believe to be adequate and immediate steps to meet that oncoming recession. It at once brought down legislation providing for a works program. It caused to be passed the Municipal Improvements Assistance Act, by which $30,000,000 was made available to municipalities in this country for self-liquidating projects.

The Chairman: Order. I am sorry, but the hon. member for Joliette-L'Assomption-Montcalm is discussing the economic situation in general terms, and this is neither the time nor the moment to start a debate on economic conditions. The hon. member's remarks must bear on the matter now under consideration, and strictly in that order.

Mr. Pigeon: Mr. Chairman, I just wanted to make those few remarks. I shall have the opportunity to speak again on that matter in due course, but I wish to say that our hon. friends who now criticize the government, would speak of depression, recession, tariff and of our business relations with the United States, while they were in office.

I congratulate the Minister of Labour for having made $15 million available to municipalities. The city of Joliette has taken advantage of a share of this sum, as many other municipalities are doing now.

Mr. Bourget: Mr. Chairman, in rising to take part in this debate, I do not propose to refer to speeches made in 1937 or 1935 or even 1930, but I wish to point out to my hon. friend that, when he said that the number of unemployed had decreased by 2,212, thus trying to show—

Mr. Pigeon: On a question of privilege, Mr. Chairman, I never said that.

Mr. Bourget: Mr. Chairman, I did not write down the actual statements made by the hon. member because, first of all, they were always out of order; but he certainly said that there were fewer unemployed in the city of Joliette.

Mr. Pigeon: True.

Mr. Bourget: Well, I would remind my hon. friend that if he refers to statistics just supplied by the national employment service,

he will realize that in January a record number of people in the country were looking for employment.

Mr. Pigeon: Order.

Mr. Bourget: And if we resort—this is not out of order, Mr. Chairman, I think that the purpose of this item is precisely to provide jobs for the unemployed—and I would point out to my hon. friend that if he is satisfied that there is a decrease of 2,000 in the number of applications, well he is satisfied with very little.

In any case, Mr. Chairman, I would like to discuss briefly this vote of about $15 million; I say about $15 million because I understand that the Minister of Labour (Mr. Starr) himself, even with the figures he now has in hand, cannot tell us exactly if the amount will be $10, $12 or $15 million. However, the vote under consideration represents part of the cost of winter works undertaken by municipalities since the 1st of December last year up to April 30 this year. This will be the federal government's share and, as we all know, it represents only 50 per cent of the labour costs.

Mr. Chairman, I do not intend to go against this vote, for I have much regard for the likeable minister; I do know that down deep he realizes that the bad cause he has to defend today is embarrassing to him, because he surely knows, as we all do, that this plan—as was stated and as it must be repeated—was taken too late, and is altogether inadequate.

Besides, in the remarks I made during the debate on the speech from the throne—as my friends from Quebec know—I gave as an example the city of Quebec whose authorities had considered undertaking projects worth $500,000. However, when city engineers went over those projects they found that the projects would cost the city an extra $5,000 even taking into account the share that the federal government was to pay by way of help to the municipality. That is why the mayor of Quebec said at the time that it was a bad deal for the city and that, if the city went ahead with them, it was only to give jobs to a few unemployed because, according to available information, those works amounting to $400,000 or $500,000 would not provide employment for more than 100 or 200 people, and for only three months.

Well, Mr. Chairman, the minister must admit that it is doing very little to give a city like Quebec the opportunity of providing work for only 100 or 200 persons now out of a job, especially when we consider, according to the latest statistics given by the national employment service, that there are at present in the city of Quebec 18,000 persons looking for jobs.

Besides, Mr. Chairman, the city of Quebec has not been the only municipality to complain. Canada's metropolis, the city of Montreal, has done likewise. In fact the Montreal *Star* of January 31 reported that a special committee had been set up by the Montreal city authorities to consider the program put forward by the federal government.

In their first report to the executive committee, the members of that committee said that the step was inadequate. They went on to say that the restrictive clauses contained in the proposal to the municipalities precluded the city of Montreal from taking full advantage of it, and they enumerated at the same time those restrictive clauses: First, the 50 per cent offered was limited to labour costs.

Second, no payments would be made on these works after April 30, although some of the projects might not yet be completed.

Third, the grants applied to certain types of public works, but not to building construction.

On this point, I was pleased, a few moments ago, to hear the hon. member for Calgary South (Mr. Smith) drawing the minister's attention to this situation, and asking that the act be broadened so as to provide more employment and to give municipalities an opportunity to submit other projects that might provide more work for workers who are now unemployed.

Fourth, members of the committee also mentioned that the government's financial help did not apply to regular employees of a city, who would normally be unemployed if they were not given work on those jobs.

Mr. Chairman, I think when you have the authorities of the metropolis of Canada and of the capital city of our province claiming, with proof in hand, that those projects do not meet present needs, you have reason to say that our municipalities were justified in complaining.

Mr. Chairman, the Liberal party has been charged on different occasions with making destructive criticism. Well, the members of the committee established by the city of

Montreal were neither friends of the Liberal party, nor opponents of the government; the committee included well qualified engineers and contractors like J. B. Sterling, Mr. C. A. Duranceau, director of municipal services, Mr. Lucien Hétu, director of public works, Mr. Lucien L'Allier and Mr. Bernard Beaupré, engineer. I also want to draw the minister's attention to the fact that this report embodies exactly the same arguments that we, on this side of the house, have been putting forward ever since we have known the terms of the program that the federal government has offered to municipalities in order to help the unemployed.

Mr. Chairman, there is an extremely important point that has been mentioned earlier and that I wish to emphasize. Through this winter work program all the responsibility falls on the municipalities; we all know that at the moment municipalities lack the necessary financial resources to undertake such works. We also know that municipalities that wish to co-operate and undertake winter works have to borrow if they do not have the required money, and nowadays they have to pay at least 6 per cent interest. This reminds me that the Prime Minister (Mr. Diefenbaker) indicated that he quite understood the difficulties which the municipalities had to face, as evidenced by a report published on February 26, 1958 in the newspaper *Le Droit*, which says:

> Mr. Diefenbaker has stated that the government is aware of the difficult financial situation which the municipalities are facing. We shall see, he stated, that they get a fair share of taxes, so they can meet the new requirements resulting from their rapid growth.
>
> According to Mr. Diefenbaker, tax-sharing will have to be studied carefully by the governments concerned. The government is willing to adopt a program of assistance to municipalities, in the light of that study and of the recommendations made by the provincial governments.

It seems to me that the federal government had a fine opportunity, following the announcement of that project, to provide assistance to the municipalities, in offering them to share the cost of that winter works program; and yet, the municipalities are shouldering the greater part of the responsibility.

In fact, a heading in *La Presse* of February 10, 1959, caught my eye. It said:

> Federal help, $43,000 for works amounting to $1,118,000 in Montreal.

This means less than 4 per cent of the cost of the works. I do not intend to argue with the hon. minister about the 38 or 40 per cent which, according to him, represents the cost of labour for those works. But when I quote such an example, where the federal government gives only $43,000 for works amounting to $1,118,000, I am at a loss to understand that the cost of labour for those projects, which have been submitted and concurred in by both the provincial and federal governments, should represent 38 or 40 per cent.

In any case, Mr. Chairman, I believe the government would have been well advised to act on the suggestion we made last year: i.e. set up a municipal loan fund, to provide for long-term loans designed to finance large scale municipal improvements. The municipalities would thus have had at their disposal the necessary funds and could at once have undertaken such works as those suggested by the present government. But the government did not do so, and I believe that, under the circumstances, it must take the blame for not having done so.

Mr. Pigeon: Mr. Chairman—

Mr. Bourget: Before closing—

Mr. Pigeon: Would the hon. member allow me to ask a question?

Mr. Bourget: Certainly.

Mr. Pigeon: Could the hon. member say why his government, having been in power for a quarter century, never initiated such a loan fund?

Mr. Bourget: I must say to my hon. friend that we never had to face an unemployment crisis such as the present one, and that moreover, there was legislation on the statutes allowing municipalities to borrow money, as I mentioned, I believe, last December or last May, when I spoke on the address in reply to the speech from the throne.

Another point I would draw to the hon. minister's attention is that, according to page 1018 of *Hansard* of February 13, the hon. minister had this to say:

> Projects are still being submitted and processed. There has been no delay. In addition to the on-site jobs, employment has been provided for many more people engaged in the manufacture of materials and supplies and working in other trades and transportation and other services that are involved. It is estimated by those interested in these projects that the figure of 22,712 workers can be tripled in order to arrive at the number who are participating in the program.

Well, I do hope that in quoting this figure, the minister was not trying to lead the

people to believe that this winter works program gave employment to 22,712 unemployed, because I would say between 75 to 80 per cent of these projects were sewer and waterworks jobs.

And of course, it goes without saying that if such works are undertaken by municipalities or contractors, they will certainly be done by regular employees. This shows clearly that the figure of 22,000 does not mean that the number of unemployed has decreased by 22,000 as a result of that program. Moreover, the minister said that we should multiply that figure by three to determine the number of people who would thus be employed. Here again I believe that the hon. minister is mistaken. If he is thinking of those working in the industries producing the building materials required, he will realize that those are regular employees. This shows that this program did not give the results the government expected, and that the government is responsible for that situation.

(Text):

Mr. Howard: I should like to make a couple of comments about this particular item from the point of view of the effect it has on the constituency I represent and its effect generally. The first indication that the country had that such a program was going to be entered into was a telegram from the Prime Minister to the various provinces. I think we should attempt to analyse what the basic design behind that telegram was in addition to letting the provinces know that the federal government was willing to enter into projects of this type on a cost-sharing basis. What it was designed to do—and it did this—was to leave the impression with the general public that the federal government was going to participate in 50 per cent of the costs with the municipalities on certain types of projects.

An hon. Member: Labour costs.

Mr. Howard: My hon. friend can take his own time to make his own speech on his own feet without interrupting me and misinterpreting what I say. The impression that was left in the country was that the federal government was going to participate by paying 50 per cent of the cost of municipal projects.

An hon. Member: Labour costs.

Mr. Howard: You can talk about labour costs all you want to, but that was the impression that was left with the general public, namely that the federal government was going to bear 50 per cent of the costs. Then when the letter from the minister was sent, we found the gimmicks in this program and the loopholes and we found out that the federal government were not so generous as they originally let on they were. We found out what this so-called 50 per cent means in terms of the amount of money that will be contributed. That matter has been dealt with at some length by others in this debate. But from the minister's own figures we find that the federal government is going to contribute 13 per cent of the costs. I assume that the minister's figures are correct even though he may have misinterpreted the information which was given to him by the municipalities. As I say, we find that the federal government will pay 13 per cent of the cost of these projects and that the municipalities, already deep in debt, will be bearing 87 per cent of the cost.

There are three reasons why this is not a too sensible approach in so far as municipalities are concerned. Certainly it affords some employment to people presently unemployed. One reason is that it was too late in the year, too close to the winter season to make proper preparation for such type of work. The second was that many municipalities were completely involved because of their project arrangements. They had laid their plans out for the year sometime previously.

The third question is their debt position. We all know the position of the municipalities and we know that they vary from one to the other. But generally speaking, the fact is that they have been going deeper and deeper into debt as the years have gone by. This apparent benevolence on the part of the government in this respect was not what it was originally represented to be. It merely means that the municipalities carry the large burden of the costs, paying almost the complete amount toward projects of this type, and the federal government comes along and takes the credit. This is something which it has been quite willing to do in many other cases in the past, namely to take credit for something as long as somebody else pays for the program and does the work.

In the constituency of Skeena this program means relatively little. I am sure the minister has had communications from municipalities to the effect that, generally speaking, they are not able to participate in a program of this type for a variety of reasons.

I should like to make reference to a couple of communications I have from municipalities out there in order to show precisely how little this program means to the municipalities in that constituency. While my friend and

fellow westerner, the hon. member for Calgary South, made some reference to a letter he had received—I believe it was from the Calgary labour council—to the effect that this was a generous program, I submit that possibly the Calgary labour council is not as close to the situation as are the municipalities themselves to which I should like to make reference. I have here a letter from the corporation of the village of Burns Lake. It is dated January 21, 1959, and reads in part as follows:

> It is felt that, as the federal government shares only in the direct payroll costs of any project, the benefits to the municipality are negligible.

Consequently they are not able to undertake any type of project. I also have a letter from the corporation of the district of Kitimat. It is dated January 19, 1959, and, with respect to the winter works program, it reads in part as follows:

> The program was announced so late in the year that it was impossible for us to take advantage of it before the rigours of winter were upon us . . . It is a pity it could not have been announced two or three months earlier so that the procedural details would have been worked out in time to take advantage of some of the earlier winter months.

We have these two municipalities in my own constituency which express the point of view with respect to this program. They are far closer to the scene than were those to whom my hon. friend referred who wrote to him from Calgary.

There is one other aspect of this matter that I believe we should raise. I refer to the minister's estimate of jobs provided. I believe his figures lead us somewhere into the area of 65,000 to 70,000 people being employed in these winter works projects throughout Canada. That is based on the projects which have already been approved, as I understand it. If I am incorrect I am sure the minister will take advantage of the situation to correct the figures.

Mr. Martin (Essex East): Twenty-two thousand.

Mr. Howard: No; I understood 22,000 were directly involved, and then he tripled that. His reference was to three times that figure; and at an earlier stage of the proceedings in the house he made reference to 60,000 people being employed either directly or indirectly. It was that 60,000 or 70,000 figure to which I am making reference. Hearing no objection from the minister, I assume I am fairly close to what his figures were in that regard.

In addition to that, while this strays a little from the point, we had a comment a few days ago from the Minister of Public Works to the effect that the housing program of the government last year resulted in some 200,000 man-years of employment, which he interpreted to mean 400,000 jobs provided. If this is so, I am not complaining about that part of it one bit; it is quite laudable. But I suggest that the government, out of its own mouth, condemns itself for its shortsighted policy when it comes to dealing with unemployed people of this nation. It has not the foggiest idea where it is going so far as economic problems are concerned, and is only able to make small, faltering steps to correct it by instituting something like the winter works program, or something similar to the housing program which comes under the jurisdiction of the Minister of Public Works.

The other day we had an announcement from the dominion bureau of statistics to the effect that 538,000 people were out of work seeking employment. They are the figures which the minister attaches himself to as being the lowest of the group of figures compiled by that department. If we add to this the estimated number of people who are being employed as a result of the winter works project, and the estimated number that the Minister of Public Works suggested would be employed as a result of the housing program, we find ourselves with the D.B.S. figure of somewhere in the neighbourhood of 800,000 or 900,000 people out of work. I am not saying what the unemployment insurance figures would be, but they would be much higher than that.

This arises for one reason, because the government fails to see precisely what the problem is, just as our friends failed to recognize what the problem was when they were in office. This arises because continually over the years Canadian parliaments—perhaps not in toto but certainly recent parliaments—gave away in many cases control of sections of our economy to private individuals and private groups, and let them go their own merry way without too much thought or concern about the effect it would have on society or the economy generally. When we get into economic difficulties because we have given away the operation and control of our society and economy to outside sources, everyone comes running to the government to bail them out, and the Canadian taxpayer bears the brunt by paying for the mistakes and errors of the private individuals who control the country. We end up increasing the debt, borrowing more money and selling more bonds in order to promote a winter works program and housing development, only because governments in the past, and this government at present, failed to realize that someone else is controlling and directing the

economy. It should be their responsibility when they are in office, representing the taxpayers of the nation.

The minister also made reference to the planning which is necessary in order to cope with these things. I suggest to the minister that he should not be afraid of words like planning or co-ordination, but should realize, as I am sure he does, that it is necessary; and unless we have some sort of plan or co-ordination of our economic system we are going to continue to have economic difficulties from time to time. I know that the minister basically, deep down inside himself, is a sort of socialist, if I may put it that way. He is a socialist-minded person, but there are too many arch Tories in the cabinet and he cannot get his point of view across. That is the whole difficulty. I know that if the minister had his way and was able to institute the type of economic system necessary to deal with these things, and was able to have the influence which he would like to have in getting his points of view across—perhaps even if he were the minister of finance—we would be in a much better position than we are at the moment, because then the minister could deal with the question of employment as it should be dealt with. It would not be done in this haphazard, halfway measure by sending telegrams, and things like that. The minister could exert a little more pressure and could even threaten to resign a couple more times, perhaps, than he has already. Then perhaps he would be able to move the Prime Minister and the Minister of Finance a little more in the direction of dealing in a sensible fashion with this problem, and institute some sort of planning in order to ensure that our taxpayers and the working-class people of this country do not recurrently find themselves on the unemployment rolls, and the federal government does not have to come to the assistance, not only of the people unemployed but of private industry and bail them out, plunging the Canadian taxpayer further into debt by so doing.

Mr. McDonald (Hamilton South): May I ask the hon. member a question, who was talking of private enterprise. Is it the policy of his party that they would take over the industries in Canada which he was referring to?

Mr. Howard: I suggest one thing to my hon. friend, that if he had been paying attention—

Mr. McDonald (Hamilton South): I was paying attention.

Mr. Howard: If you continue to interject and not give me an opportunity to answer the question I shall resume my seat. If my hon. friend had been paying attention to political affairs and studying the different political philosophies over the years, he would not have to ask such an asinine question.

(Translation):

Mr. Leduc: Mr. Chairman, I wish to speak briefly on those $15 million earmarked for the municipalities wishing to undertake winter works to relieve unemployment. I must tell the hon. minister that I will certainly vote for those grants and for any other that he may wish to submit to our approval for the relief of unemployment, even though no municipality in my constituency can qualify for it. By the way, last January 26 I put a question to the Minister of Labour (Mr. Starr). I asked whether any municipality or city in my constituency would be taking advantage of that grant, and the minister gave me the following reply:

(Text):

The Department of Labour has not received any applications covering winter works projects from towns or rural municipalities in the county of Gatineau, under the municipal winter works incentive program.

(Translation):

Mr. Chairman, one of the reasons why no municipality in my constituency can take advantage of that offer, is the delay that occurred before it was announced in the province of Quebec. In fact it was only about December 12 that the municipalities were allowed to negotiate with Ottawa with a view to taking advantage of that winter works program.

Not only did the offer come too late, but the amounts made available were inadequate. Fifty per cent of labour costs, to carry on those winter works, was definitely inadequate in most cases.

I remember that during the economic depression of the thirties, under the Bennett regime, grants were made to promote unemployment relief works. Those grants were paid by the Ottawa government. I was then a councillor in my municipality, which took advantage of those grants to carry on water works projects. At that time, the federal and provincial governments were each paying 33⅓ per cent of the labour costs, that is to say 66⅔ per cent. But the implementation of those projects was not limited to the period extending from December to April 30. Those projects could be executed at any period of the year, and that is why several municipalities took advantage of the grants to implement works that did much to alleviate unemployment.

The minister knows full well that during the summer, autumn and even spring months, job opportunities in Canada will not

be sufficient to provide employment for the 538,000 unemployed now registered. Unless the government undertakes works during those three seasons, there will be even more unemployment.

I think that the central government should come to an understanding with the provinces with a view to contributing a sum of money sufficient not only to defray part of the labour costs, but also the construction costs of certain works. There are some self-liquidating works, water and sewer projects, and, in the rural constituencies, various works that can be done by the municipalities if they get financial assistance, not only from the central government, but from the provincial government.

Therefore, I would urge the minister to come to an understanding with the provinces with a view to setting up a summer and autumn works program, and even one for next winter, or there will still be unemployment this summer.

Mr. Caron: Mr. Chairman, I really did not expect to speak until tonight, but I see that circumstances require me to start immediately.

The amount of $15 million requested by the Minister of Labour (Mr. Starr) is, in our opinion, inadequate to meet present conditions. What is most surprising is that the members on the government side still appear to be labouring under the same impression as a year ago, and feel that unemployment is being exaggerated by the opposition. I would not want to be accused of misquoting the words spoken by the Prime Minister on February 15, 1958, though I must say that this was before the elections.

(Text):

He accused the Liberals under Lester B. Pearson of grossly exaggerating the unemployment figures.

(Translation):

And, seeing how little effort is now being made by the government to face this sad situation in which we are involved, I have come to wonder whether the government is still under the impression that if things are left alone they may eventually settle themselves. The following article, written by Tempus, appeared in the *Financial Times*:

(Text):

The principle that seems to prevail with regard to employment is that if you do not pay any attention to it it will go away by itself.

(Translation):

In any case, what have we been finding since the very beginning? The government is doing too little and too late. After the claims made by labour unions and many sociologists to the effect that conditions appeared to be deteriorating, we urged the government time and again, last year, to please hurry and develop some plan to alleviate the hardship that would result from an extended period of unemployment. And the government has been able to find only one thing to do, namely to distribute an amount of $15 million, throughout the length and breadth of Canada, to certain municipalities as a means of cutting down unemployment.

Well, to help fight unemployment, I had interior alterations started in my office a few days ago, at a cost of $2,500.

Mr. Martel: I had work done amounting to $3,000.

Mr. Caron: The hon. member said he spent $3,000 on improvement, which means that, proportionately speaking, the hon. member who just spoke and myself have done more to relieve unemployment than did the government.

Mr. Fortin: How many men did you hire?

Mr. Caron: Ten.

Mr. Fortin: They must have been getting poor pay.

Mr. Caron: They are reasonably paid; they draw the wage rate prevailing in the area according to the collective agreement governing hours of work, besides what they get for the overtime they have to do to accelerate the project.

That shows that some individuals almost go to extreme limits to overcome the difficulties we are facing. And the government stands pat without saying anything; a few backbenchers ventured to speak, but the government stood there without saying anything and allocated the amount of $15 million which is being distributed across Canada to help certain municipal work projects. Everything was planned so late, especially in the province of Quebec, where the program was accepted by the Quebec government during last January only,—that the municipalities did not have enough time to plan work projects and submit them to the department of municipal affairs and have them approved early enough to take proper advantage of the offer made to pay 50 per cent of wages spent for carrying out those projects.

I heard the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon)—I must remember those three names—state that in Joliette, people were satisfied. I am happy to see—

Mr. Pigeon: Mr. Chairman, that is not what I said exactly.

Mr. Caron: Could you repeat what you said, so that we may know?

Mr. Habel: He does not know himself.

Mr. Caron: That's what I understood you to say.

Mr. Pigeon: You misunderstood.

Mr. Caron: I understood you to say: "In my constituency, Joliette-L'Assomption-Montcalm, we are satisfied and I congratulate the minister for that".

Mr. Pigeon: Mr. Chairman, I said that—

Mr. Caron: If the hon. member claims he did not say the words I just quoted, I accept his change of attitude; it means therefore that in Joliette, as anywhere else in the country people are unhappy over the present situation.

Mr. Denis: Except for that, it is true.

Mr. Pigeon: That is not what I said.

Mr. Caron: As the hon. member for Laurier (Mr. Chevrier) pointed out earlier, I should perhaps have asked the hon. member for Joliette-L'Assomption-Montcalm to write out his speech in advance and distribute copies to members who were to speak after him, because he denies all he has said.

Mr. Chairman, the present situation is much too serious to be settled by a paltry sum of $15 million distributed across the country, especially when the costs of those works will only be subsidized up to April 30. The municipalities which have undertaken extensive works are sure these works will not be finished by April 30. If the Minister of Labour had wanted to do something practical, he would have said: "We will pay 50 per cent of the cost of salaries for all works started before April 30 up to their completion". Many municipalities would then have tried to take advantage of such a winter works program. As I said at the beginning of my remarks, there appears to be a belief that unemployment will pass, will disappear and will be forgotten. Besides, some blame us, as did the hon. member for Joliette-L'Assomption-Montcalm, for criticizing the government about the present situation.

Mr. Pigeon: We are simply asking for constructive criticism.

Mr. Caron: Mr. Chairman, I regret that the hon. member for Joliette-L'Assomption-Montcalm has not reread the remarks made by his hon. colleagues when they were in the opposition. In fact, I notice at page 3937 of *Hansard* of 1955, that the present Minister of Labour, who has the responsibility for that department, said when he was in the opposition:

(Text):

I feel that the Department of Labour and this government should make strenuous efforts to alleviate the present condition of those who find themselves unemployed.

(Translation):

And we are now asking those same gentlemen what they have done that is so extraordinary to correct this situation which is much worse than the one which prevailed in 1955.

Mr. Chairman, I now refer to a statement made by the present Prime Minister, when he was in the opposition:

(Text):

The municipalities are loaded down with unemployment relief. The residents of our urban communities cannot bear it any longer. What is to be done about the unemployed employables? What is the attitude of the government? Well, if I understand the press of this country, almost without exception the press says that constitutional matters are today being raised as a smoke screen to relieve this government of its responsibilities.

(Translation):

Mr. Chairman, it is exactly the situation under which our municipalities are labouring at the present time. As a matter of fact, they are in an impossible situation; and the government says that we need the support of provincial governments. That is the smoke screen resorted to by the present government, and our municipalities are forced to run into debt to pay the rent, food and clothing of thousands of people who are not on direct relief and who do not work because they cannot find jobs. In spite of all that, the government does not seem to find the means of doing anything to come to the rescue of those who are in dire need. Members on the government side are doing absolutely nothing to warrant the criticism they voiced in 1955 when they were condemning the Liberal party and holding it responsible for the situation prevailing at the time.

Mr. Denis: Mr. Chairman, could I direct a question to the hon. member for Hull?

Mr. Caron: Certainly.

Mr. Denis: Would the hon. member kindly inform the house how much the province of Quebec is contributing to the winter works program?

Mr. Caron: Mr. Chairman, it is rather difficult to reply otherwise than as follows: the province of Quebec is contributing nothing whatsoever.

Mr. Denis: Shame!

Mr. Caron: And here is also for the information of my hon. friend from Joliette-L'Assomption-Montcalm, what the Prime Minister said, at the time, as recorded on page 3940 of *Hansard* of 1955:

(Text):

Certainly, the degree to which chaos is present in labour matters in this country indicates that the Department of Labour lacks direction, lacks system and lacks, not authority but direction.

(Translation):

How does the situation stand now, Mr. Chairman. There is a lack of direction, authority and system on the part of the government in a like situation.

And again, on the question of unemployment, here is what was said by the present Minister of Citizenship and Immigration (Mrs. Fairclough), as recorded in *Hansard* of 1955, at page 1601 of the English version:

(Text):

Regardless of the number of people who are out of work, regardless of whether the number is 362,000 or 569,000, the question we have to ask ourselves is whether or not hon. members and the people of Canada are going to consider that a person is merely a statistic.

(Translation):

Well, Mr. Chairman, we are still faced with the same situation at this time. Unemployed people are still apparently considered as mere figures supplied by the dominion bureau of statistics.

Mr. Pigeon: Mr. Chairman, may I direct a question to the hon. member for Hull?

Mr. Caron: Certainly.

Mr. Pigeon: Could the hon. member tell me whether there was no winter unemployment when his party was in office? Let him answer that. What did the Liberal government do when labour unions submitted briefs asking that something be done to slow down immigration? Answer me that one.

(Text):

The Deputy Chairman: Order. I shall have to remind hon. members that we are talking about a specific matter and not the general question of unemployment. This matter refers to the sum of $15 million to assist those who are unemployed.

Mr. Caron: Mr. Chairman, I am following the ground which has been covered by those who spoke before me on the question of unemployment. The nature of the problem is such that the whole question of unemployment comes into it. I am seeking to prove that the problem is of such proportions that the sum of $15 million is inadequate under the circumstances and so I feel I should be allowed to go a little further in my references and not be confined just to the question of the payment of $15 million.

You will well remember that in 1955 when we discussed these matters hon. gentlemen opposite went much further in their references. That is what I am seeking to do at the present time and I really believe I am only following those who preceded me in this discussion.

The Deputy Chairman: As long as you do not go too far afield. We must have reference to municipal works to be undertaken by the federal government the provinces and the municipalities. We must keep our speeches and our thoughts referrable to this particular item.

Mr. Caron: I am just amplifying the matter by citing quotations to prove that $15 million is insufficient. In addition to that a question was addressed to me by the hon. member for Joliette-L'Assomption-Montcalm and I hope his question was completed when I rose.

(Translation):

Mr. Caron: Mr. Chairman, I wish to reply to the hon. member for Joliette-L'Assomption-Montcalm—

Mr. Denis: In French.

Mr. Caron: Certainly. Of course there was winter unemployment, there will always be, but winter unemployment is almost normal and seldom reaches the national figure of 250,000 unemployed. But when you reach the figure of 538,000 unemployed people in the country, according to the latest official statistics, and when you add the few thousand unemployed who have not registered, that makes a total of close to 800,000 unemployed, as was pointed out a few moments ago by an hon. member. I submit that that is a condition of exceptional unemployment, and that the government has a duty to protect these people from hardship, because as the Prime Minister has said, no one should be allowed to suffer from unemployment while he is in power—

Mr. Pigeon: Mr. Chairman, the government has never tried to dodge its responsibilities.

(Text):

Mr. Starr: Mr. Chairman, would the hon. member permit a question?

Mr. Caron: Surely.

Mr. Starr: I know how concerned the hon. member for Hull is about the present situation but I also know he expressed the same

concern last year during the session and on the orders of the day he brought to my attention the situation in Hull and requested some action. In reply I requested the hon. member to give me details of the situation in Hull, but up to this time I have not received them. I wonder if the hon. member would care to get around to giving me those details in view of his concern?

Mr. Caron: Mr. Chairman, I should like to reply to that question because it was raised by the minister. I want to tell him that last year I advised the municipal authorities to forward this information. I do not know if this has been done. However, there is one comment I will make. I will repeat the request and see that the information reaches the minister. However, I know there are reports that are coming in from Hull that will give him the figures he requires. Furthermore, I told him last year and I will tell him again that if the statistics for Ottawa and Hull were separated it would be easy to furnish this information.

The Deputy Chairman: Order. It being five o'clock it is my duty, pursuant to standing order 15, to leave the chair in order to permit the house to proceed to the consideration of private and public bills.

PRIVATE BILLS

GORE DISTRICT MUTUAL FIRE INSURANCE COMPANY

Mr. William Anderson (Waterloo South) moved the second reading of Bill No. S-7, respecting Gore District Mutual Fire Insurance Company.

He said: Mr. Speaker, the purpose of this bill is to change the name of the Gore District Mutual Fire Insurance Company to the Gore Mutual Insurance Company. The company's present name is not sufficiently descriptive of the types of insurance business it now carries on. You will notice that the words "district" and "fire" are dropped. This company was formed and originally established in 1839 by an act of the crown which permitted the creation of a fire insurance company in the various districts into which the province of Ontario was then divided. Those districts included London district, Wellington district including Guelph and the Gore district which embraced an area taking in Hamilton, Dundas, Galt and Brantford.

The Gore District Mutual Fire Insurance Company began business in the area from which it derived its name 120 years ago and after these many years the company does business throughout the province of Ontario and in addition has for a considerable number of years conducted substantial business in the provinces of Manitoba, Saskatchewan, Alberta and British Columbia. The company also maintains branch offices in each of these provinces.

The word "district", which has a historical significance, is now no longer applicable to this company and is detrimental in that it frequently gives the impression that the company is something other than a national institution. The directors believe that the company would be more adequately named if the word "district" were dropped.

The same story applies to the word "fire". Originally in 1839 the company was established as a purely fire insurance company. Since that time, however, the federal government has authorized the company to write all types of insurance except life. In fact, over 60 per cent of the business of the company is now derived from other than fire insurance. The dropping of the word "fire" is in line with the practice of other companies which have experienced the same sort of growth and expansion.

I might mention that the federal superintendent of insurance, Mr. MacGregor, has been kept informed of the proposed change and believes it to be appropriate. The company has had a wonderful record of service over the past century and has contributed many thousands of dollars to charitable causes. I might mention here that during world war I the Gore District Mutual Fire Insurance Company made an outright grant of $100,000 to the federal government to aid in the war effort.

This bill is a very simple request on the part of a progressive company with a very fine and patriotic background, and in my humble opinion it should be passed with the minimum of delay so that the company may carry on its fast growing business under the name of the Gore Mutual Insurance Company, the proper name for the type of business being carried on at the present time by this long established institution.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

SECOND READINGS—SENATE BILLS

The house resumed, from Friday, February 13, consideration of the motion of Mr. McCleave for the second reading of the following bills:

Bill SD-19, for the relief of Ruth Georgina Potts Dobie.

Bill SD-20, for the relief of Patricia Burnell Fraser Rosensweig.

Mr. M. J. A. Lambert (Edmonton West): Mr. Speaker, on the previous occasion when these bills were before the house there was considerable discussion about certain principles

governing bills of this type, and I feel it incumbent upon me to go further into the question. I realize that on February 6 the chairman of the standing committee on miscellaneous private bills spoke at some considerable length, as did others, on the matter of divorce. However, in the light of these particular bills I think I should review certain essential requirements for a divorce. While I may speak on general principles which at first sight may not appear to be directly related to the bill, I believe they will all be tied in because I intend to take the particular bill and relate it to these principles.

In this morning's *Globe and Mail* Robert Duffy makes the statement that "parliament has the authority to pass bills of divorce on any grounds it chooses." In my opinion that is a rather general statement and I do not believe that could be done without further action by the house. For the time being we have to deal with a certain type of evidence and certain essentials required to establish grounds for a divorce. I suggest to hon. members that the manner of handling divorce cases should not differ from the way in which they are handled in the appropriate courts in the various jurisdictions throughout the country. I believe that there should be some uniformity of practice and requirements.

I think that the essentials of a divorce may be summarized briefly as follows: First of all, there is the question of jurisdiction; second, proof of misconduct; third, the questions of connivance, condonation and collusion; and, fourth, proof of marriage, etc. In his earlier reference to this question the hon. member for Halifax (Mr. McCleave) spoke about the question of jurisdiction and the danger of possible abuses of the process of law through parliament in the presenting of petitions to this house which more properly should have been presented in courts of provincial jurisdiction. In the past cases have been presented before the house and the committee where marriages had not been proved and previous divorces had not been proved, and as far as practice was concerned they left much to be desired.

The hon. member spoke about proof of adultery and the weight of evidence required. I do not think I should have to go over that ground but I should like to deal now with the questions of connivance, condonation and collusion. In this connection I should like to refer to a very valuable authority, "The Law of Divorce in Canada", by W. Kent Power, published in 1948. The author of that learned text speaks about connivance at pages 41 and 42, and for the guidance of members of the house I should like to put on the record the principles by which we should be guided in considering these cases. In dealing with connivance, the book says this:

> Connivance means that the adultery of one spouse has been caused by or has been knowingly, wilfully or recklessly permitted by the other as an accessory. It must precede the offence, and is clearly distinguishable from condonation which follows it.

I quote further:

> Connivance implies that the plaintiff has been accessory to the very offence on which the action is based, or at least has corruptly acquiesced in its commission.

In the event that there should be connivance, that is a fatal flaw to the petition in my humble submission. Members of this house should scrutinize the evidence presented for any suggestion of connivance just as carefully as they would for any other point.

Mr. Speaker: Order. While what the hon. member is saying is quite interesting and would be appropriate as a lecture in a school of law, it does not seem to me to be related to the case with which we are dealing, that of Ruth Georgina Potts Dobie or the other bill. I must say that unless he can do that, it seems to me he is continuing to be out of order.

Mr. McCleave: If I may speak on the point of order, I would say that in reviewing the two cases there did not appear to be evidence in the printed record to show that collusion, connivance or condonation were expressly met. I think perhaps the hon. member has brought a good point before the house on second reading of this bill, when it is a question of approval in principle.

Mr. Speaker: Perhaps the hon. member who has the floor would tell me how he relates this discourse on connivance to the bill before us?

Mr. Lambert: With the greatest respect, I feel that if I am to point out flaws in the bill, then I should relate the principles upon which the bill should be considered. I am considering these principles as they are laid down and as I feel they relate to this bill in particular, as I indicated in my opening remarks.

Mr. Speaker: I have gone along with the hon. member now for some minutes, and I think it is time he related these principles to the bill.

Mr. Chevrier: I should like to rise on a point of order at this stage and ask for your guidance on a matter that is causing members on this side some concern. What I should like to know from Your Honour, and from those who are interested in the discussion of this matter, is whether or not this discussion is likely to take up the whole of the hour.

I do not want to repeat what has been said, but there is no doubt in our minds that the hon. member for Edmonton West (Mr. Lambert) has been dealing with grounds for divorce and has not, during any of the time he has spoken, directed his attention to the bill that is now before us. There is on the order paper a bill which we consider to be of some importance, and that is Bill No. C-6, an act respecting the flags of Canada.

Some hon. Members: Order, order.

Mr. Chevrier: I am speaking to the point of order.

Mr. Speaker: I appreciate that the hon. member is speaking to the point of order, but the point of order relates to this bill and not to what follows it. Really, that is not a consideration except that the rules should be observed generally so that the business will be dealt with in its proper turn.

Mr. Chevrier: I realize that is the case, and I had risen to ask for your advice on the point because this is the third time now that it has happened that bills of this nature are debated until about five minutes to six. This gives no opportunity for those on this side who want to discuss Bill No. C-6—

Mr. Fisher: That is the idea.

Mr. Speaker: May I say this: I am attempting to deal with the point of order which is now before me, and one which I raised myself, that the discussion is proceeding along irrelevant lines. It is perhaps out of order to go into what was done before. I appreciate the hon. member's opinion, and it is in accordance with my own, that the discussion has been out of order. I am asking the hon. member who has the floor to confine himself to the discussion of the principle of the two bills before the house.

Mr. Churchill: On the point of order, the hon. member for Laurier (Mr. Chevrier) has suggested to this house that hon. members who are entering into debate on this bill are preventing him from proceeding to some other bill in which he is interested. In other words, he is attempting to close off discussion in the house on a legitimate—

Mr. Chevrier: On a point of order; the statement I made dealt with the remarks made by the hon. member for Edmonton West, and if my hon. friend looks at the record he will find that that is the person at whom the remarks I made were directed. I said that the hon. member was not speaking to the bill itself but was dealing with the reasons and grounds for divorce and thereby delaying the other bills, namely No. C-6, which we had a right to discuss.

[Mr. Chevrier.]

Mr. Churchill: My point of order is simply this, that it is not within the competence of the hon. member to attempt to suggest to the house that some other bill that he has in mind is more important than the one that is under discussion. I think the point of order is quite wrong.

Mr. Speaker: It is quite true, and I have already indicated that. I do not think that is the point under discussion. The point is whether or not the hon. member for Edmonton West is dealing with the principle of the bill before us. I think the hon. member for York West (Mr. Hamilton) wanted to say something.

Mr. Hamilton (York West): It was on the same point. I wanted to say that the hon. member has tried to do indirectly what he could not do directly, that is leave some inference that someone is trying to prevent a member from getting on with his bill. Now, it is quite obvious—

Mr. Chevrier: That is exactly what is happening.

Mr. Hamilton (York West): It is quite obvious that there is still a long session ahead of us and the hon. member's bill, which is listed as No. 2 under public bills, will certainly be dealt with.

Mr. Pearson: Yes, at five minutes to six.

Mr. Pallett: What about the hon. member for Burin-Burgeo (Mr. Carter)? He spoke long enough.

Mr. Chevrier: That is an important point; may I be permitted to reply?

Mr. Speaker: If the hon. member for Laurier would allow the hon. member who has the floor to proceed, we might conclude this discussion. He has been advised he is out of order and he must continue to debate the bill in a relevant manner. If another point arises, I shall be glad to deal with it. I think the point has been sufficiently aired.

Mr. Lambert: If we are to discuss this bill intelligently, I do feel that it must meet certain principles, and I am trying to establish the principles to which this bill must be related. It would be, with the greatest respect, pointless for me to say that this bill is deficient, that there are matters of principle in the granting of divorces in which it is deficient, if I do not relate it to what I suggest are the proper principles upon which divorce should be granted.

The point with which I was dealing was connivance. We find that in this bill the only reference to connivance was, did you make any agreement or plan with your husband whereby he was to commit adultery,

or did you give him your permission to commit this adultery? In other words, the proof of absence of connivance here or the negation of connivance is, in my opinion, insufficient. I would direct this particular point to the committee that will study this bill in detail.

Then we come to the principle of condonation. What does condonation mean? With the permission of the Chair, I shall put on the record what is meant by condonation. I am quoting from Power again:

> Condonation of a matrimonial offence means the forgiveness of the offence with a full knowledge of the circumstances, followed by a reinstatement of the offending party to his or her former position, subject, however to the implied condition that no later offence be committed.

There the reference again in this bill, I would submit, is insufficient because there is a reference to some possible adultery. Again I would draw to the attention of the committee the advisability of going into this matter further.

Then we come to that much more difficult question, namely collusion. What is the definition of collusion as exercised by the courts on many occasions? Briefly, is it merely a denial of any arrangement to commit adultery? That would appear to be what is asked for in these particular bills. But, Mr. Speaker, I would suggest that collusion goes much farther than this. I would suggest that it goes to the question of whether the parties have entered into a financial arrangement or otherwise whereby one of the parties has been in effect bribed either not to defend the action or to bring the action. In other words, there is an abuse of the process of law. I would refer to the statement that collusion puts the court or this house in a position where it cannot trust what is before it.

Again we have in this particular bill a mere reference: did you make any agreement with your husband whereby he was to commit adultery for the purpose of obtaining this application? There is nothing there in so far as financial arrangements or otherwise are concerned. I would say to the hon. member for Laurier (Mr. Chevrier) that the proper conduct of divorce actions in this house is just as important to me as other bills may be to other members. I think we should come to a decision that we will establish a practice whereby these matters can be dealt with appropriately.

I could say further things about the conduct of cases and the admission of hearsay evidence. In this particular case this is the type of evidence which led the committee which heard this petition to believe that there was in fact adultery whereas, if the record were stripped of that hearsay evidence, they might not do so. I would suggest, Mr. Speaker, that the committee to which this bill will go when it has passed second reading will be obliged to consider certain questions. I should like, if I may, to raise these various points so that the committee may deal with them.

I want to find out, first of all, whether, in dealing with bills like this one for the relief of Ruth Georgina Potts Dobie, we are sitting here as a committee of review.

Mr. Martin (Essex East): We are sitting and dealing with the bill; and the hon. member certainly is not doing it.

Mr. Lambert: Are we an appellate court or are we a forum to which, if we find that the presentation has been deficient, the petitioner may come back and be given a second chance to add additional evidence?

Mr. Speaker: If I may interrupt the hon. member again, I would point out that the principle of this bill is a very simple one. It is whether or not the petitioner, Ruth Georgina Potts Dobie should be granted a divorce. That is the purpose of the bill. I think it is quite out of order to engage in philosophic discussions on the functions of parliament and other abstract principles with regard to the administration of justice. The matter is just as simple as that. Surely the hon. member can deal with it on that basis.

Mr. Lambert: As I have indicated, with respect to this bill, I have raised certain points which I draw to the attention of the committee in their detailed consideration of this particular petition. I should like them to consider those points and perhaps to make a certain recommendation.

Mr. M. D. Morton (Davenport): Mr. Speaker, in spite of the concern of some members of the opposition as to the right of members on the government side to speak on certain bills—

Mr. Pearson: And to avoid speaking on others.

Mr. Morton: Mr. Speaker,—

Mr. Speaker: Order. I hope the hon. member who is about to discuss this bill will not revert to the point of order which has been attended to. The matter before the house is a divorce bill, not the conduct of the members.

Mr. Morton: Mr. Speaker, I did not wish to revert to the point of order but I was almost tempted to revert to the attitude across the way. There seems to be, not only in this debate but in certain other debates recently in the house, an attempt on the part of the opposition to stop—

Some hon. Members: Oh, oh.

Mr. Speaker: The hon. member is going directly in the face of the injunction I just gave him. I would ask him to confine himself, if he will, to this divorce bill.

Mr. Morton: Mr. Speaker, out of deference to you, I will direct my thoughts to this particular bill. I agree with what the hon. member for Calgary West has stated—

An hon. Member: No; the hon. member for Edmonton West.

Mr. Morton: —or rather with what the hon. member for Edmonton West (Mr. Lambert) has stated, namely that in some respects these bills before us do not meet the requirements that perhaps would be expected to be met in the courts. I think it is quite in order to observe how bills before us do not meet these requirements. In the particular bill with regard to Patricia Burnell Fraser Rosensweig, we find here the type of evidence that often brings, not only the divorces that come before this house into disrepute but sometimes even those before the courts. Somehow or other these detectives seem to be able to appear at an appropriate time, as they did here, on the occasion at the apartment at 5840 Decelles Place.

On examining the evidence, Mr. Speaker, you will find that this was not the ordinary residence of the co-defendant concerned but of the defendant. This co-defendant concerned, as will be noted in the evidence, has children and would ordinarily be expected to be at her own place of residence. But it appears that at the appropriate time she is followed and is found to be staying at another apartment. From the evidence given and from the questions asked I do not consider that they have stated that there was not connivance or collusion. I should like to urge upon the committee that this question be checked into definitely, with an eye to the suggestion to the other place to be more particular in asking the questions they ask and not to forward to this house cases such as this one especially that I have mentioned, with such flimsy evidence or evidence that could be questioned.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, I am speaking to the bill concerning the petition for divorce of Patricia Burnell Fraser Rosensweig.

Mr. McIlraith: That is really not what the hon. member is speaking to and he knows it.

An hon. Member: Closure by the opposition.

Mr. Bigg: It is difficult, Mr. Speaker, to speak to this bill without speaking about principles but I will keep my remarks directed to the bill before the house. It is quite evident to me, although it may not have been to the committee—I was not on the Senate committee—that not only have they not disproved the matter of connivance or condonation, but there are certain items in the evidence which appear to me to be nothing else but connivance. You might note that this petition is dated May 30, 1958. The evidence produced by these professional private-eyes was produced two days previously. Even if we are willing to take such evidence, is there not a fair inference that this evidence was produced with the full knowledge of both parties to this marriage? Mrs. Rosensweig is very indefinite about the facts of her marraige. When she was asked, "When did you discontinue living in Montreal?", presumably with her husband, she said, "About 1956". A woman who has been suffering an unsatisfactory marriage—

Mr. Godin: Mr. Speaker, could the hon. member inform the house which bill he is discussing at the present time?

Mr. Bigg: Yes, I will be pleased to. It is Bill SD-20.

Mr. Godin: We are dealing with SD-19.

Mr. Bigg: We are dealing with both bills together, and the hon. member who spoke last also spoke on this same bill. If the hon. member would pay attention, I would not have to waste the valuable time of this house repeating myself.

I maintain, Mr. Speaker, that this woman is very indefinite about the details of her own marriage up until the point where she suddenly decides it will be in her best interests to have her marriage dissolved. It is also apparent from the evidence in this bill that the husband, Mr. Rosensweig, also wishes to have the marriage dissolved, because according to the evidence he is now keeping company with a young widow with two children. Here are all the elements of connivance. I will not go so far as to say that adultery was committed. From the evidence this adultery is only an allegation, and occurred on one lone occasion and was condoned by the wife. Probably it was not committed. But here we have a married couple who never did get along well in their marriage suddenly deciding, four years later, that they would both be much happier single.

I do not want to go into the principles behind divorce but surely if there had been any reasonable grounds for divorce they would have come out long before this. The woman says in her evidence that her husband was not interested in having a family. But what does he do as soon as his wife deserts

him but go and find a widow with two children. This shows, in my opinion, that the husband himself was very anxious to end this unsatisfactory marriage, and it would certainly put him into the frame of mind where he would connive with his wife to have this marriage dissolved.

How did we get the evidence on which this bill is based? It came through what we call a professional private-eye. If you read the evidence you will see that this private-eye went to a private residence and taped up the door. There is very grave doubt in my mind whether this is the sort of behaviour which we as Canadian citizens have to put up with. But they taped up the door. This was, presumably, to prove that neither the woman nor the man had left during the time the private-eye went to get his aide. When they got back they forced entry into this suite, and we are now asked to believe that the gentleman in the suite allowed them to come in without any show of violence whatsoever. Again, I cannot help but think this was a setup. This man did not want to keep these men out of the room. This man clearly wanted to get the evidence against him which would get him out of a marriage which he did not want, and thus allow him freedom to marry again.

As for this Mrs. Himes; as far as I can see she is a respectable widow looking after a family. She is apparently a woman of proper instincts. She would not commit adultery, if she committed it at all, in her own home. She would not subject her children to immoral atmospheres; but it is certainly well within the realm of possibility that she would co-operate with a man with whom she has fallen in love, with a man who likes children, and with a man who has her sympathy for being entangled in an unfortunate marriage. I think this woman has co-operated with the husband in order to help free him. Whether or not the wife in this case condoned or forgave her husband is a moot question. In any event, she only had two days, between May 28 and the formal complaint which she made to the court for a divorce, to do so.

A contract of marriage is the most sacred and the most serious contract which can be entered into during one's stay on this planet, and it should not too easily be broken up. I cannot help but feel that she had many years to think this matter over. She had four years at least, and I think this divorce is purely a matter of convenience, not one of wounded marital relations. If we get to that, the question before us is: who was wrong? This woman comes to us and asks for relief from her marriage, claiming a crime against the marriage law of adultery. But who ran out on whom? By her own admission she left her husband of her own free will. Now she comes to the court asking us in the House of Commons, and in the other chamber, to relieve her from a contract which she, and she alone, broke during the first five or six years of this marriage. The fact that this divorce is uncontested again appears to me to be complete proof that the husband knew, and that the wife knew, all the facts and difficulties they would experience in getting this divorce.

I do not criticize the decision made by the other place, nor do I criticize this house for granting a divorce where the evidence would justify our so doing, or where the evidence had been adduced in good faith. In those circumstances we would be right in setting right a marriage which had long since gone on the rocks.

I do think it was a travesty of justice for us to pretend that this type of evidence presented in this way, uncontested, is a true picture of what has happened. I realize that I am encroaching somewhat on the limits allowed me by the rules of debate on divorces in concerning myself with the principles which lie behind divorces in general, but it is only in the consideration of each individual case that we arrive at general principles, and if we keep on granting divorces in the present manner I think we are undermining the stability of marriage. I can only hope that by bringing the discrepancies in these individual cases to the attention of the house a great deal more care will be taken in the future.

I should like to see this bill go back to the committee for further discussion. I should like to see some attempt made to call the husband and, if necessary, to call the third party to this proceeding so that we might hear from these people that they do not deny these allegations. I do not see why this should not be done, because I think it is well within the power of the committee which hears these divorces to insist on more conclusive evidence before being ready to grant this petition. I could go through this evidence word by word, and I think anybody hearing it would agree with my contention. We have allowed this type of divorce to go through before. It is only when the proper evidence has not been heard and the proper persons, in my opinion, have been called that we are able to come to the conclusion that adultery has been proved.

Perhaps we are not required to have the same type of proof with regard to adultery that one would expect in a criminal case. We are able to make up our minds on the balance of probabilities. It would be almost impossible in a civilized community to expect

the type of proof on an adultery charge which would convince beyond all possible doubt. I do not deny this at all. But all the elements of connivance are here, and none of the elements which would disprove connivance are present. I think this woman knew that this was going on, and I do not think she did anything about it until it was suitable for her to petition for a divorce.

Another question I should liked to have asked her concerns her present financial position. It came out in the evidence that from the time these two people were married the wife earned more money than her husband. As far as I can see she is still earning more money than her husband. The petition for this divorce would, therefore, certainly not be on support grounds, because this woman is quite capable of supporting herself. It is obvious that up till now the woman has not felt herself to be morally wrong. Apparently she had no pangs of jealousy until six years after the marriage, and I cannot help but feel that behind her petition for divorce is a desire to enter into another alliance. This woman could not be asked this question but it is certainly fair for anyone sitting on the committee and reading the evidence to ask himself: is this a bona fide case where a woman wronged by adultery has come before this committee for a hearing, expecting us to give her the benefit of our doubts.

There can be no question that there is doubt in this case. The woman is asking for the benefit of this doubt. In order to get this benefit I suggest she has to come to us with clean hands. It is obvious that if she is guilty of connivance or condonation we would refuse the petition. If she were asking us to grant the petition on humanitarian grounds because she is distressed, that might cause us to bend in her direction and give her the benefit of any doubt, but I claim that in this case all the evidence is negative.

She has not satisfied me. She may have satisfied the committee. Of course, it is up to everyone to decide according to his own conscience whether or not he believes there has in fact been condonation or collusion. However, from my point of view, speaking for myself and apparently for the other members of this committee—the hon. member for Edmonton West (Mr. Lambert) in particular—we should be very careful to make sure that everything has been done before we grant this petition. I see no reason why we should not send the bill back, because it is a very serious matter to dissolve this marriage, and we should not be doing our duty to the two people concerned, or perhaps to the three people concerned, if we did not see everything was done to preserve this marriage and give it every chance.

I cannot believe that two days is long enough for any woman to consider the question of adultery even if it had been committed. I am quite sure that many marriages would be broken up if such haste was the order of the day. Many marriages have been saved after one of the parties has fallen from grace. It would not be hard to go through cases in civil law and find instances where marriages have been saved by time. I do not know whether any attempt was made by either party to effect a reconciliation. The husband did not appear before us and the question was never put to the wife. Certainly, two days is not long enough, and it was this two-day limit which began my suspicion concerning this whole case. Knowing the difficulty of getting attention through legal channels, I found it astounding that a woman should, after suddenly being confronted with the adultery of her husband have a petition before the Senate within two days of the alleged offence.

I notice there are no children involved in this case and that is a blessing in a marriage apparently as unhappy as this one. Since no children are involved, this would simplify a settlement of any property after the marriage is finally dissolved, if and when it is dissolved. But let us suppose there had been children. This would have complicated matters very greatly. This has put the red light on again in our deliberations.

Mr. Speaker: Order. The hon. member is setting up a supposition as to what could happen when there are children which seems to me to be a little irrelevant in this case where there are none.

An hon. Member: Give him time.

Mr. Bigg: I was just trying to bring in the question concerning children because a question arises when—

Mr. Speaker: Order. I thought that was what the hon. member was doing and that is why I asked him to desist.

Mr. Bigg: To sum up, Mr. Speaker, I shall repeat that it is my desire to impress upon hon. members of this house my grave doubts concerning the desirability of granting this divorce on the basis of the present evidence. Although hon. members opposite may think this is not a matter worthy of discussion at this point, I can only say if it is not I do not know why these bills come before the house. If we are wasting our time in discussing these bills perhaps some move should be made—

Mr. Speaker: Order. The hon. member is referring again to a general question. I would be glad if he would sum up his statement about this bill.

Mr. Bigg: Mr. Speaker, in my humble opinion this bill does not represent a proper basis for granting a divorce. I realize that this personal opinion will not carry very much weight. Nevertheless, I am not alone in holding this opinion. If many other hon. members of the house feel the way I do about it, certainly it would be a good idea to send this bill back to the other place so it could be discussed in committee again to see whether or not more conclusive evidence of adultery could be found and also to rule out any suggestion of connivance.

Mr. McCleave: Mr. Speaker—

Mr. Speaker: I must inform the house that if the hon. member speaks now he will close the debate.

Mr. Peters: Mr. Speaker, before the hon. member for Halifax speaks I should like to direct a question to the hon. member for Athabasca (Mr. Bigg) before he takes his seat. Is it his opinion—

Mr. Speaker: Order. The hon. member has already sat down and having recognized another hon. member I am afraid it is too late. Questions should be asked before an hon. member sits down.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I am unable to resist the temptation to take part in this very interesting debate because if by some chance or through some fortuitous circumstance this measure were disposed of at three minutes to six o'clock, we would then have three minutes in which to discuss one of the most important items to come before the house this session, a resolution concerning a national flag for Canada and after that three minutes it would go to the bottom of the order paper and then there would be no opportunity to discuss it—

Some hon. Members: Order.

Mr. Speaker: I think the hon. member appreciates that the protests were warranted.

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask if it is not permissible for an hon. member in the course of a debate to point out that the debate is deliberately taking a certain direction to avoid discussion on the next item of the order paper, namely a bill introduced by an hon. member from this group asking that we give consideration to the desirability of having a distinctive national flag?

Some hon. Members: Order. Sit down.

Mr. Martin (Essex East): Surely it would be of assistance to point that out. During the last hour the discussion we have had has been obstruction against a bill concerning a distinctive national flag for Canada.

Mr. Speaker: Order. I am sure it is not in order to impute motives to hon. members in the proper discussion of matters before the house. If the discussion is not proper the way to deal with it is to point out the deficiency as a point of order; but to draw general inferences which impugn the motives of hon. members is not in accordance with what is expected in this house.

Mr. Pearson: Mr. Speaker, if I may continue my remarks without imputing any motives to anybody, because that of course would be unparliamentary, I would go on to point out that the effect of a decision on this matter at three minutes to six o'clock would be what I have just indicated. It would be put to the bottom of the order paper. The next bill on the order paper concerns a very important question which hon. gentlemen opposite do not wish to discuss—

Mr. Churchill: Mr. Speaker, on a point of order, the Leader of the Opposition is quite obviously not entering into a debate on the bills that are before us. He is drawing attention, as was done earlier, to other matters not now before the house and I suggest on a point of order—

Mr. Speaker: That is quite true. If the Leader of the Opposition wishes to continue I would ask him to confine his remarks to the bill.

Mr. Pearson: Mr. Speaker, I shall be very glad to continue my observations on this bill so that at six o'clock when we are talking about this bill the subsequent bill on today's order paper will still be available for discussion at the next sittings of the house. I am sure that hon. gentlemen opposite will be delighted that we are endeavouring to make it possible for them to discuss at the next sittings of this house a matter of such importance as that of a distinctive flag for Canada.

Mr. Speaker: I hope the Leader of the Opposition will not be recalcitrant in this attitude because he is quite out of order.

Mr. Pearson: Very well then, Mr. Speaker, I shall speak to the bill. I have listened with very great interest to the observations of my hon. friends opposite. I recognize that it was difficult for them to resist the temptation to stray into principles but toward the end of the hour they were successful and my hon. friend who has just sat down has made some very interesting

comments on these bills. He has suggested for reasons which he gave and which may or may not have been impressive to the house that these bills should be sent back to the committee for further consideration.

Some hon. Members: Six o'clock.

Mr. Speaker: Has the hon. member concluded?

Mr. Pearson: Having seen the Clerk on his feet I assumed he was telling you it was six o'clock. If it is not six o'clock I shall be very glad to continue and I shall not have as difficult a time in doing so as some of my hon. friends opposite did in attempting to extend their remarks because I have only one minute and so it will really not be difficult for me to continue. It would be interesting to examine the reason why there has been discussion for an hour this afternoon on the bill before us. The reason is quite clear to every hon. member of the house—

Some hon. Members: You are out of order.

Mr. Pearson: I am now about to give the reason for the discussion and for the sudden and intense interest of my hon. friends opposite—

Mr. Speaker: Order. I am sorry to interrupt the hon. member but it is six o'clock and I do now leave the chair. It being six o'clock the house will revert to the business which was interrupted at five o'clock.

SUPPLY

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

DEPARTMENT OF LABOUR

709. Payments to a province during the 1958-59 and 1959-60 fiscal years in accordance with an agreement entered into by the government of Canada and the province, with the approval of the governor in council, that provides for contributions by the government of Canada of amounts not exceeding one half of the cost of labour incurred in the period from the 1st day of December, 1958, to the 30th day of April, 1959, on winter work projects in municipalities as contemplated by the agreement, $15,000,000.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

(Translation):

Mr. Caron: Mr. Chairman, when the house adjourned at five o'clock, I was talking about the unemployment situation in our municipalities and saying how little the government has done to improve the situation. In reply to some questions asked by some hon. members, I shall refer to what certain ministers had to say, when they were in the opposition, about employment in Canada. When the hon. member for Niagara Falls (Mr. Houck) had the floor, the Minister of Finance (Mr. Fleming) seemed to consider the whole thing as rather funny. However, I remember that during the 1955 session, as recorded on page 3396 of *Hansard*, he said:

(Text):

The second problem which has been ignored by the government is the problem of unemployment. This problem has been discussed at length in this session, or I would seek to go into it at greater length today. But let me content myself, in this limited time, with making this limited observation on the subject, that the government throughout this session has observed a conspiracy of silence in regard to unemployment.

(Translation):

Mr. Chairman, the situation now is exactly the same. The government seems to want to remain mum on a subject as important as that of assistance to the unemployed.

When we were saying that the situation was serious, that it was getting worse from day to day and that the winter would be tough, we were accused of being crepe hangers, of exaggerating the situation; and yet, if we look at the latest statistics, we note that in January, the number of unemployed had risen by 11,000 across the country. This means an increase of 11,000 unemployed over last year's figure and a further increase compared to the figure for the previous year. In other words, if the government keeps on behaving as it now does, the situation will become absolutely unmanageable.

Mr. Chairman, this situation is inconceivable, as the Minister of Citizenship and Immigration (Mrs. Fairclough) pointed out in 1955 when, sitting in the opposition, she said:

(Text):

In the midst of wealth we have human misery. With all the faith in the world these people cannot wait ten or fifteen years for a steady job or a weekly pay cheque.

(Translation):

Mr. Chairman, it is a well known fact today that people must need food, clothing, shelter and fuel. Yet—

Mr. Pigeon: Mr. Chairman—

Mr. Caron: —the government lets—

Mr. Pigeon: Mr. Chairman, on a point of order.

Mr. Habel: There is no point of order.

Mr. Pigeon: Mr. Chairman, the hon. member for Hull is out of order since what we are called upon to do is to vote $15 million to help municipalities. The vote has nothing to do with the hon. member's remarks—

(Text):

Mr. Caron: On the point of order, Mr. Chairman, the hon. member claims I am out of order because I am speaking of the case being placed before the municipalities at the present time, and I believe that I am not out of order because I am just bringing out points to show that the present government is doing nothing to help the municipalities to meet their problems today. I would suggest that the hon. member read a little more of Beauchesne and learn his standing orders before he raises a point of order.

The Deputy Chairman: On the point of order, just to clarify the matter, the item of $15 million certainly does pertain to the unemployment situation, but I do not think we should discuss the pros and cons of the unemployment situation in past years and so forth. I think we should stick as closely as we can to the item.

(Translation):

Mr. Caron: Mr. Chairman, as I was saying, our municipalities are hoping for help from the federal government, and the government is doing practically nothing to help them.

True enough, we are being asked to vote an amount of $15 million for a winter works program. However, at the present time, municipalities have to help many of their citizens who are out of work and do not qualify for unemployment insurance. They have to clothe them, house them, and provide them with food and fuel during the winter. That is the task being performed by the municipalities. And they have had no help from either the federal government or the Quebec government, I feel this situation is of interest to us and that we are entitled to discuss it in connection with this amount of $15 million that we are asked to vote. A nation can only be prosperous to the extent that its citizens are prosperous and, today, people are not prosperous.

If there are over 800,000 registered or unregistered unemployed, I do say that the present situation in the country is bad and that our municipalities are not receiving from the federal government the share they are entitled to; that is what I was trying to say and prove. In fact, I read the following in the Ottawa *Citizen* of January 13 last:

(Text):

Although the Diefenbaker government has been in office for about 18 months, Mr. Davie Fulton, the Minister of Justice—

(Translation):

Mr. Valade: Is it a Conservative paper?

Mr. Caron: It is an independent paper.

Mr. Fleming (Eglinton): Liberal.

Mr. Caron: You should read it more carefully and more often; it would inspire you.

(Text):

Although the Diefenbaker government has been in office for about 18 months, Mr. Davie Fulton, the Minister of Justice, the other day tried to place the blame for unemployment on the previous Liberal administration . . . His attack on the previous government is surely a symptom of the Conservative party's bankruptcy of ideas.

(Translation):

It is a well-known fact that the government has not found the means of offering more than $15 million to help our municipalities face this situation. In other words, in so far as the unemployment situation is concerned, the present government has failed completely and does not seem to grasp the gravity of the situation.

Moreover, the *Citizen*, which my hon. friend should consult more often, stated on December 29:

(Text):

It now seems clear that not many more than 10,000 men will get jobs under the winter works program to which the federal government is contributing 50 per cent of the labour cost.

(Translation):

Mr. Chairman, the minister said the other day that those projects would perhaps provide employment for 20,000 people. Those figures are still not correct, and the minister spoke on the basis of information supplied to him. But even if we agree that 20,000 Canadians would benefit from the winter works program, it means that an infinitesimal number of unemployed will have a job; and this is the step taken to check unemployment.

Besides, municipalities could not very well take advantage of the program, because the government introduced it too late. The government should have taken action when we told it last year that conditions would be serious. But then the government did not do anything but repeat its criticism against the Liberal party. And yet today, we realize that as far as Montreal is concerned, the federal government is contributing no more than $43,000 for works amounting to something like $1,118,000. I could give figures and similar examples in the case of almost any municipality.

As I said a moment ago, there are 11,000 more jobless in Canada and those $15 million could not check the rising tide of unemployment.

Mr. Chairman, I feel that if the Liberal government which preceded the present administration—and I say this for the information of my hon. friend for Joliette-L'Assomption-Montcalm, (Mr. Pigeon),—if the Liberal government, as I said, had not, through its social legislation, introduced the Unemployment Insurance Act, the situation would be so serious that I would fear a revolution in this country, as a result of the present government's inaction.

Mr. Pigeon: Mr. Chairman, would the hon. member for Hull allow me a question?

Mr. Caron: Certainly.

Mr. Pigeon: Could the hon. member for Hull explain to me how it is that between 1946 and 1957 there were in the country, under a Liberal government, 2 million unemployed or applicants?

Mr. Caron: I did not quite get the question, Mr. Chairman, but 2 million unemployed is an estimation of cumulative figures from year to year, and that cannot be taken into account.

Mr. Pigeon: They are D.B.S. figures.

Mr. Caron: Cumulative statistics can be misleading, and I could quote the English saying that figures don't lie, but it is certainly possible at times to make them lie.

And besides, Mr. Chairman, while the number of unemployed is increasing, and money is getting scarcer, the cost of living is on the increase, which means an additional worry for those who have to shoulder the burden, like the municipalities.

I hope the government will eventually wake up, as the hon. member for Niagara Falls (Mr. Houck) said; in fact, he claimed that the Minister of Labour (Mr. Starr) was well disposed, but that he had no co-operation from his cabinet colleagues. Well, I hope the violent temper which he displayed the other day, when he scurried out of the house, will help him goad the government into action and make it stop saying that the situation is not serious.

The situation is indeed serious. The time has come, more than ever, for the government to wake up; in fact, if it does not, I fear for the future.

About the payment of half the cost of winter works, when I said that the cost of those works undertaken during winter could exceed by 12 per cent that of works done during the summer, a certain member rose to say that engineers had given him figures showing that the difference could not be more than one per cent. Well, that is possible if the hon. member has those works done on stone. It is cheaper during winter to quarry the stone because there is no water; hence, there is no need for pumping machines; stone is a good conductor of heat and cold and blasting is easier; I also understand that a mechanical shovel can pick it up without the necessity of repeated blasting. But when works are done in the ground, during winter, it is much more expensive. At the time I was mayor of Hull, I found that jobs carried out late in the fall or in winter time are much more expensive.

Mr. Chairman, if municipalities have to pay 10 to 12 per cent more, it means that they stand to gain absolutely nothing, because the cost of the labour required to carry out these jobs represents at most about 25 per cent of total costs at the present time. Assuming that one half of 25 per cent, or 12½ per cent, is paid by the government, and that winter works cost 12 per cent more, and considering that today—since the celebrated conversion loan of our friend the Minister of Finance (Mr. Fleming)—municipalities have to pay 1¾ to 2 per cent more than previously to borrow money, it can be seen that municipalities that have to borrow money to carry out winter works stand to lose money, in spite of government grants.

Anyway, the hon. member for Levis (Mr. Bourget) proved it this afternoon when referring to works undertaken in Quebec city.

Mr. Chairman, I suggest that the government should wake up and do something.

The other day I heard the hon. member for Fort William (Mr. Badanai) state that out of 3,000 unemployed in that city, 48 only were helped through the winter works program in that locality. And it is the same almost everywhere. That is why the winter works program organized by the minister has been quite ineffective in Canada.

I hope that the minister will change his mind and that he will be able to convince the Minister of Finance and especially the Prime Minister, that superman who, before the election, promised to solve every problem. If I should be elected, he said, no one is going to suffer from unemployment. I hope he will

remind him of his great election promises and tell him that more than $15 million are needed to handle the situation.

I urge the Minister of Labour to use his power, if he has any, to try to convince the ministers that a serious effort must be made to help the unemployed of Canada who need it.

Mr. Valade: Mr. Chairman, I had not intended to take part is this discussion, as I wanted the government to vote the funds requested for the Department of Labour. I realize that my intervention will somewhat delay the voting of those funds, but I feel compelled to deal with the matter for a few minutes because some members of the opposition who have been speaking out of turn are more prone to sound off than to reason things out. I should like, Mr. Chairman, to point out certain discrepancies in the statements made by our friends of the Liberal party.

In the first place, much fuss is being made over an article published in *La Presse,* a Liberally-inclined newspaper, on February 10, 1959. I would ask my friends who do not know the colour of newspapers—such as the Ottawa *Citizen*—since they do not want to admit it, I ask them to question what the big Montreal daily *La Presse* stated on this matter.

Mr. Caron: "America's largest French daily."

Mr. Pigeon: America's thickest newspaper.

Mr. Valade: It was Jean-Louis Gagnon who said it.

Mr. Caron: He is a good editor.

Mr. Valade: Mr. Chairman, I rise on a point of order. May I point out to the hon. member who has just finished his speech that, if he is not through breaking out with his arrogant remarks, he could at least let me go on with my speech.

Mr. Caron: I was answering your friend, and my own.

Mr. Valade: I raised a point of order, Mr. Chairman, and I would like to remind the hon. member for Hull that while he has duties as a member of parliament, he also has obligations towards the House of Commons and I would ask him to let me finish the speech that I have not yet been able to begin.

The Chairman: I would ask the hon. members not to talk all at the same time. I must remind them that the hon. member for St. Mary now has the floor; and I would ask them not to interrupt him unduly.

Mr. Valade: Mr. Chairman, I thank you for reminding the members of the opposition of their duty in this house.

Mr. Chairman, I merely wished to say that I realize that there are some in this house who ignore the standing orders and who take it upon themselves to criticize anything the Conservative government is doing for the general welfare of the people, not to mention the fact that they quote more or less accurate figures in order to misrepresent some of the measures which the Conservative government is trying to put forward to correct the unfortunate unemployment situation, which was not caused, in any case, by the Conservative government, but precisely, as has already been said, through the lack of foresight of the Liberal government which was unable to deal with the situation.

A moment ago I heard the hon. member for Hull (Mr. Caron) say that if it had not been for legislation introduced by the Liberal party, the situation would be even worse.

Imagine, Mr. Chairman! If the Conservative government had not offered that 50 per cent grant towards winter works I wonder, with the lack of foresight of the Liberal party, what the situation would be like now as far as unemployment in the country is concerned. It is the Conservative government that agreed to pay 50 per cent of labour costs for winter works and some are making much ado, Mr. Chairman, about the amount of $43,000 paid by the Conservative government on the total amount of $1,118,000 for works in Montreal. Our friends forgot to mention that that amount of $1 million does not cover only winter works, but also the purchase of materials to be used in connection with winter works. That is what our friends of the opposition do not quite realize. And small wonder, Mr. Chairman.

Mr. Bourget: Would the hon. member allow me a question?

Mr. Valade: I am just coming to the end of my remarks. I shall allow you a question afterwards, if you wish.

No doubt you will remember reading in the papers a few days ago that the mayor of a municipality of greater Montreal, Ville d'Anjou—and I wish to congratulate him—was the first to take advantage of the measure

adopted by the federal government concerning winter works, because he set out the pace in undertaking a two million dollar works project in his municipality. Here is a mayor who lives up to his responsibilities; here is a mayor who found in the measure adopted by the Conservative government, legislation designed to help rectify the present situation—which was not the Conservative party's doing but which it inherited—a situation resulting from the want of foresight on the part of the preceding government.

Mr. Denis: Would the hon. member now allow me to put a question to him?

Mr. Valade: Yes.

Mr. Denis: The federal government has provided $43,000 for winter works. Since there are 82,000 unemployed in Montreal, how much does that amount to per unemployed person for the year?

Mr. Lessard: Fifty cents per unemployed.

Mr. Valade: If the hon. member would ask his friends who make preposterous calculations in inverse geometrical progression, he will find it fairly easy to get a reply. As far as I am concerned, I would rather compare the Liberal government's record with what the present Conservative government is doing to deal with unemployment.

What did the Liberal party do to improve the unemployment situation? The preceding Liberal government froze credit and almost prevented the industry of the country to develop the way it is doing now. And, in order to please our friends of the opposition who like to quote literary authors—my hon. friend from Hull (Mr. Caron) might be able to suggest some authors in his riding—I am going to cite Michelet who said about the revolution:

> You who cry over the causes of the revolution should also shed a few tears on the causes that brought it about.

Unemployment was brought about by the Liberal government and I should like to ask it to shed a few tears and agree to the item that the Conservative government is now asking for.

(Text):

Mr. Martin (Timmins): Mr. Chairman, it is with some regret that I break into this amusing little game of the pot calling the kettle black. However, I should like to confine my remarks today to the matter before the house at this moment. I think possibly a good place to start would be with the statement of the minister as found at page 1018 of *Hansard* of Friday, February 13, starting at the bottom of the page:

> I do not know whether there is anything else I can add at the moment except to say that this is a field in which the federal government has never before participated.

I have not taken the opportunity of searching back through *Hansard* in order to verify that statement. I can only presume that it is true because, while I followed all of the speeches made by members of the official opposition, to date I found nobody who has denied that statement by the minister. On this fact I should like to compliment the minister. It shows that he has realized that there is a situation that needs attention; his position is in contrast with that of many of his colleagues. It also shows that he is willing to go ahead and try something that has never before been tried by the government of this country.

I believe that what we should do now is to pay particular attention to this program he has started and see just how good it is, how well it meets the situation, whether it should be improved or enlarged or whether in fact it might not be better, in the interests of all concerned, if something else were substituted for it.

Mr. Chairman, there appears to be a certain amount of confusion among the various municipalities across the country with regard to this program. I think it is quite easy to realize why this is so. Contained in the original letter that went out from the minister to the various provincial premiers, on page 2 under the item "Terms of the Offer" we find the following:

> The Canadian government, subject to the approval of the plan by the provincial government, will reimburse each municipality one-half of the direct payroll costs of the municipality or its contractors or subcontractors during the period from December 1, 1958, to April 30, 1959—

Yet on page 3, under the item marked No. 7, we find the following:

> Payments to year-round employees of the municipalities will not be included as part of the direct payroll costs—

I think that is rather an important item and I think that is possibly one of the major reasons why confusion has been caused among the various municipal officials with regard to this plan.

I recall very well, Mr. Chairman, that when this plan was first announced with due fanfare and publicity the impression very definitely was created, first of all that the federal government was assuming 50 per cent of the costs of these projects. I grant that the government never said that, but the fact still remains that that impression was created. Certainly the municipalities welcomed this announcement with great good cheer. However, when they started going into the actual terms of this proposal they found that definitely was not the picture at all. Instead of finding the situation to be

in accord with the first impression they received, namely that the federal government was to undertake 50 per cent of the costs, they found that the 50 per cent which the federal government was going to share in was confined to the payroll costs. They found further that it was confined to the payroll of people who were not in the steady employment of the municipalities.

Again, in the minister's statement of the other day, as reported at page 1018 of *Hansard*, we find the same thing:

> This program involved participation by the federal government to the extent of 50 per cent of the total payroll costs in such projects as would not ordinarily be undertaken during the winter.

In the same letter which the minister sent to the provincial premiers, in item No. 4 on page 3, it is stated:

> The bulk of those employed under this plan must be unemployed at the time they are hired.

I presume it is intended to grant employment and the resulting wages to those most in need. But when I inquired among various municipal officials in the Timmins area they informed me—and apparently they must have been mistaken because certainly this is contained in this letter or directive—that they had the impression that the only people who could qualify on these jobs were unemployed whose unemployment benefits had completely run out. As I say, they may have been mistaken. Apparently either my informants were in error or else the people who supplied the minister with his information were in error, one of the two.

I certainly do not question for a moment the words of the minister. I am sure he based them on the information supplied him by his officials. I see again on the same page of *Hansard*, page 1018, where the minister says that, to their pleasant surprise, the labour content amounted to some 38 per cent of the cost of the projects. There again that information is very much at variance with the information supplied by some of the various municipal officials and contractors in my area.

Let me refer to the three main projects, or I should say categories, listed under here as follows. The categories of work projects to be covered, subject to the acceptance of each winter works project, are:

> (a) The construction and major reconstruction of streets, sidewalks or roads, other than arterial roads;
>
> (b) The construction and major reconstruction of water, sewage and storm sewage facilities not including buildings;
>
> (c) The construction and development of municipal parks.

I have talked with various contractors and asked them what proportion of jobs particularly falling under the first two categories here would be involved in materials, and they informed me that on projects of this kind as high as 70 and 75 per cent of the cost of these projects would be for materials alone. They told me, of course, that under the terms of this agreement none of that cost would be shared by the federal government. They told me further that up to another 20 or more per cent would go for the cost of machinery—bulldozers, trucks, shovels, and that sort of thing. Again the federal government does not share these costs. Their share is confined to the cost of labour other than the regular municipal employees who may have to be placed on these projects to supervise them. In fact, they went so far as to say, particularly under these first two categories, that the actual labour cost that the federal government might share in would amount to not much more than 3 per cent of the cost of the whole project. As I say, possibly the information given to me is wrong, but that is the information I have.

In regard to this 50 per cent cost of payroll on jobs of this nature, such as sewage lines, water lines, trunk sewers and so on, it is impossible for the municipality just to go down to the employment office and hire 50 or 100 men and turn them loose on these projects. They must place their own experienced personnnel in charge of these projects; otherwise the repairs to these projects could cost more than the actual projects themselves.

So you can see, Mr. Chairman, that a considerable amount of the actual labour cost in these projects would involve permanent employees of the municipalities. They would have to put their engineers to work and their foremen on the job, and put leaders in charge of whatever projects they were working on. In fact, one of the municipal officials told me—and incidentally this is not contained under these three categories, so I am pleased to see that the government is not holding them down strictly to the three projects mentioned here—about a job concerned completely with manual labour in connection with clearing brush on a site which was going to be used as a city dump. All that was needed was an axe and a saw to cut the brush, and a box of matches to burn it. Under this project, which involved only manual labour, no machinery or material of any kind, they told me that all the municipality would realize from the contribution of both the federal government and the provincial government would be in the neighbourhood of 35 per cent.

There appears to be a lot of confusion. Either these people have the wrong impression or have been given the wrong picture

of this project, or else the figures supplied by the Minister of Labour are not in keeping with what the municipalities say in this project.

Mr. Starr: Would the hon. member allow me to give him this information, Mr. Chairman. The figures I have quoted regarding this plan have all been supplied by the municipalities themselves.

Mr. Martin (Timmins): These figures come directly from the municipalities?

Mr. Starr: That is right.

Mr. Martin (Timmins): Then, Mr. Chairman, I am afraid the mystery deepens as we go along. The minister quoted some of the figures of the numbers of men who, it is hoped, will be placed in employment over the next two or three months; in fact, over the five month period of this project. I believe he mentioned the figure of 22,712 men totalling up to a grand total of 1,226,358 man-days. Again, Mr. Chairman, it is difficult to get any kind of clear picture to evaluate what this program actually does. The best we can do is take some kind of average, and on that basis I believe, according to my mathematics, it works out to an average of about $12.77 per day for a total of 54 days, which is in fact about two and one-half months of working days. That would be in keeping with the directive in this letter to the effect that people employed on these projects will be paid at the going rate. I think possibly the rate of $12.77 a day would be a pretty fair average across the country from coast to coast of the daily wage being paid.

But another thing which I hope the minister will be able to supply as soon as the information is available is some kind of pattern of the length of time these people will be employed. Will they be employed for two weeks, one month, two months, or will some of them be employed full time and others for a very limited period? Again using the law of averages, we find that if one-half of these people employed were employed for the full four months period, the other half would only average one month of employment.

Mr. Chairman, I think the big question is this: Just what kind of an answer is this? This, we find, is the first and only project that this government has put forth designed specifically for the relief of unemployment. They have done other things, such as housing, which has helped but was not designed basically to relieve unemployment.

An hon. Member: Yes, they were.

Mr. Martin (Timmins): They were never stated as such. If I may continue with my mathematical exercise and project this particular plan to its fullest extent, supposing we were to use this plan, or one very similar to it, for the full relief of unemployment today. We would find that over a period of five months we hope to have a total of 1,226,358 man-days. With the present unemployment, that means it is two days' work for the unemployed over a period of five months.

The minister quoted a figure in respect of the amount of money this is going to cost the municipalities, and he also gave an estimate of the amount that would be reimbursed to the municipalities by the federal government. These figures are, of course, estimated figures and probably no more exact than the ones I have given. The best we can do is to make certain assumptions, and we find that in order to put everybody who is now unemployed back to work on the lines of a plan similar to this, the municipalities would have to raise in five months time over and above their regular budgets a total sum of $2,330 million of which, on the basis which has been mentioned, they would receive reimbursement from the federal government amounting to $379 million. This applies to the same five-month period. If we extended the period to a full year we would find that the municipalities would have to raise $5,600 million over and above their regular budgets and that of this sum the federal government would reimburse them to the extent of a billion dollars, or an amount in that neighbourhood.

I do not think it is impossible for the federal government to raise this one billion dollars. After all, it is roughly 50 per cent of what we are now spending on obsolete weapons of defence. But I do say it is a physical impossibility for the municipalities to raise their share. It is a hopeless proposition. Not only would the municipalities have to raise their own share, but they would also have to raise, initially at least, the share of the federal government and the share of the provincial government where the province is taking part, because it is clearly stated that the municipalities must raise these funds and that they will be reimbursed eventually by the federal government and by the provincial government if the province is sharing in the program.

I do not know exactly what the situation is in all the various provinces across the country, but I have been given to understand that in Ontario unemployed persons whose eligibility for benefits has run out can turn to the municipalities and the municipalities have to raise only 20 per cent of their welfare payments, the other 80 per cent of the cost

being reimbursed in the ratio, I believe, of 40 per cent by the federal government and 40 per cent by the provincial government. As time goes on and as more and more unemployed persons become ineligible for benefit and are obliged to fall back on the municipalities, how can a municipality be expected to take part in such a plan as we have heard described, under which they have to raise the full amount required to put these people to work, when today they only have to pay 20 per cent of the cost of relief? It is very fine to get all these jobs done, and many municipalities have jobs waiting which they have been trying to get under way for years. Let us not forget, however, that municipalities have to strike their budgets at the beginning of the year, and where in the world can they raise this additional money to put such a plan into effect way back at the end of the year? I mention these things to show that it is an impossibility as far as the municipalities are concerned.

There is one other point which I should like to have explained and it arises in the very first paragraph of the terms of the offer contained in the letter sent to the premiers of each province dated October 29. The letter says: "The Canadian government, subject to the approval of the plan by provincial governments" will do various things. And we find, according to the Minister of Labour's own statement, that even to date only five out of the ten provinces are participating in this plan. I wonder if this is the best we can do for the municipalities? Even if they want to take advantage of this scheme they cannot do so apparently unless they first obtain the approval of the province, regardless of whether the province is sharing in the scheme or not. This is one more item in the proposal which tends to confuse the municipalities and which has probably prevented them from taking advantage of this plan, inadequate as it is.

Mr. Bourque: Mr. Chairman, I had not intended to enter into this discussion but as mayor of a municipality I must say I was filled with alarm when I realized the growing number of the unemployed. When one considers it, $15 million is really only a drop of water in the bucket when it is remembered that 538,000 people are without employment at the present time and that over 800,000 are seeking work. If we relate this sum of $15 million to the total number of the unemployed—538,000—and if we take as a basis of our calculation the assumption that the average wage of a labouring person in Canada today is $12.50 a day, then we find that $15 million would supply work for 538,000 unemployed people for about two and a quarter days. Hon. members will agree with me, I think, that this is not going to do very much to alleviate the suffering among the unemployed in Canada.

It is said that the government pays 50 per cent of the cost of labour. On a public utility project, labour cost averages about 20 per cent of the total cost. The proposal means, in effect, that the government would be contributing approximately 10 per cent of the total cost of the project. As a mayor I can tell the committee that the financial situation of the municipalities is such that very few of them can afford to undertake any project on the basis of a 10 per cent contribution. Many of the municipalities in Canada at the present time are on the verge of bankruptcy.

The high cost of financing and issuing debentures is preventing many of our municipalities from undertaking even the projects which carry the highest priority, whether they are given a 50 per cent grant or not. If the government would indicate that something might be done in conjunction with the provinces, and that the provinces would contribute the other half of the labour costs, it might be possible for the municipalities to undertake desirable projects and to pay for the necessary materials. It must be remembered that municipalities have only limited scope with regard to raising money through taxation. The amount of taxes raised by the municipalities approximates only 10 per cent of the total tax levied, with the result that it is very difficult for the municipalities to take advantage of this plan by undertaking the construction of any public utilities at the present time.

One should also take into consideration the demoralizing effect of the presence of a large amount of unemployment upon those who are still employed—the fear of losing a job, the fear of hunger, the despair and anxiety which the situation creates. Let everyone remember that the Prime Minister said in his election speeches that not one man would go hungry in this country if he was put into power. I think it is about time the government took some action so that these projects could be carried out, but not on a 10 per cent basis because there is scarcely a municipality in Canada which could undertake to carry out a project on such terms.

Item agreed to.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

710. Payments in connection with the movements of coal under conditions prescribed by the governor in council—further amount required, $630,000.

Mr. Robichaud: Mr. Chairman, this item relates to payments in connection with the movement of coal under conditions prescribed

by the governor in council and calls for a further amount of $630,000 in order to cover additional grants for the transportation of coal. I hope that during the course of my remarks this evening I will be within the rules and standing orders of this house as my remarks will deal specifically and particularly with the disposal of the surplus of coal, especially as it relates to the maritime provinces.

The coal situation today, we know, is a major problem. There is what can be described as a coal crisis, a crisis which has been prominent since the day the present government took office.

Some hon. Members: Oh, oh.

Mr. Robichaud: I may tell hon. gentlemen opposite that they will have ample opportunity to learn about the situation before I conclude my remarks. Before dealing with the specific item in the supplementary estimates I should like to bring to the attention of the committee remarks made by the former prime minister, the Right. Hon. Louis St. Laurent, remarks which have been quoted before in this house and which have been strongly criticized by hon. members who now sit on the government side, particularly during the last two election campaigns. These remarks deal specifically with the surplus production of coal in the maritime provinces.

Mr. Fleming (Eglinton): I rise on a point of order, Mr. Chairman. The indication my hon. friend has given of going back to an earlier period prompts me to rise on a point of order concerning the limits of debate on this item. May I point out that this item involves simply a further amount to be added to an appropriation which parliament made at the last session for the current fiscal year. The need for this additional amount of $630,000 arises from one cause and one cause only, namely that effective April 1 of last year, the first day of the new fiscal year, the amount of the subsidy paid on the movement of coal from the maritimes to markets in eastern Canada was raised by 50 cents a ton. That is the purport of this item in its entirety and therefore with great respect I submit that the kind of remarks upon which my hon. friend indicates he is embarking are not in order.

What we are dealing with here is an item on which parliament has already appropriated something over $8,500,000 for a purpose approved by parliament in principle. All we have involved in the item now under discussion is an addition to that same item of an amount sufficient to pay for the additional subsidy of 50 cents a ton on the coal moved from the maritimes to the markets of central Canada. With respect, Mr. Chairman, I do not think an item so confined in its effect is any occasion for as extended a debate as that upon which my hon. friend appears to have embarked.

Mr. Robichaud: Mr. Chairman, I anticipated that as usual the Minister of Finance would interfere and attempt to call the speaker to order. On the very point of order raised by the Minister of Finance, where we are voting an additional amount of $630,000, which means a payment of 50 cents a ton additional for the transportation of coal from the maritimes to central Canada, I want to state that the very purpose of my remarks is this. I will seek to prove to this committee that this amount is not sufficient. The payment of $630,000 will not take care of the situation. With all due respect to the remarks made by the minister I feel that my remarks are duly in order.

I was about to comment on a statement made in this house by the former prime minister the Right Hon. Louis St. Laurent prior to the election of June 1957.

Mr. Fleming (Eglinton): Mr. Chairman, you have not dealt, as I understand it, with the point of order, and I take it that my hon. friend is proposing to proceed with his speech. May we have your ruling on the point?

Mr. Chevrier: Mr. Chairman, may I be allowed to direct my attention to the point of order which has been raised by the minister. The item now under discussion is entitled, "dominion coal board" and refers to payments in connection with the movement of coal under conditions prescribed by the governor in council. I respectfully submit that the item under discussion would authorize the hon. member for Gloucester to discuss anything under the dominion coal board having to do with this item. What he is proposing to do is to say to the committee that the 50 cent payment which is authorized under this item is not sufficient. For that reason I submit with deference that so long as he deals with the transportation of coal he has the right under this item to proceed in the fashion in which he has.

The Chairman: On this particular item we must limit ourselves to the question of coal transportation and we must not address ourselves to the general principle of the economics of the dominion coal board. We cannot resume the debate which took place at the last session on the activities of the dominion coal board at which time everyone had a chance to voice his opinion. We must at this point limit ourselves strictly to the transportation factors involved in the present

estimate. I will therefore request the hon. member for Gloucester to restrict his remarks to transportation.

Mr. Robichaud: Mr. Chairman, I am prepared to abide by your ruling but it is exceedingly difficult for any speaker to limit his remarks to the transportation of coal alone. There is a reason for this item. This vote is to help subsidize the transportation of coal in order to take care of the surplus of coal that presently exists in the province of Nova Scotia. I shall limit my remarks to the question of coal only.

I was saying that the former prime minister stated in this house that he wanted these coal mines to be kept in operation because, as he said, we do not want coal mining towns of Nova Scotia to become ghost towns and that so far as he was concerned and to the extent his opinions may have carried weight in the decisions that were taken then we were not going to encourage substantial increases in the production of coal because we did not think it would be fair to future generations of Canada. Those were the words of a prime minister who, notwithstanding the critical significance and possible reaction of his remarks on the eve of a general election, would rather tell the truth than adopt the position of his opponents by making promises which he never could fulfil.

On February 28, 1958, when speaking at Coxheath, Nova Scotia, the present Prime Minister is reported to have appealed for a new mandate on the basis that his government had fulfilled every promise made to the electorate. The words of the Prime Minister on that occasion were these:

> I now ask for a working majority so that together we can go forward into the future and build a great Canada.

Those were the words of the Prime Minister prior to the last election. I am sure that some hon. members, especially those from Cape Breton and elsewhere in Nova Scotia, recall this full page advertisement during the last campaign. In it I find the words, "Action today or regret tomorrow."

The Chairman: Order. I regret that I must tell the hon. member that his remarks are out of order. We must confine our remarks to transportation alone and not the general economics of the dominion coal board. If the hon. member wishes to make a speech on the economics of this question I will have to ask him to resume his seat.

Mr. Robichaud: Again I want to emphasize, Mr. Chairman, that my remarks are based on the surplus production of coal, and the reason we have this item before us is that there was not sufficient money in the vote last spring to take care of transportation.

The Chairman: Order. Once again I regret to interrupt the hon. member but the item concerns only payment for transportation and has nothing to do with the overproduction of coal which possibly necessitates a system of subsidies. The remarks of the hon. member must be confined strictly to the question of transportation payments and nothing else. Later during the session there will be an opportunity to deal with the question of coal. The remarks that the hon. member is making at present will then be relevant but at present we are dealing with a supplementary estimate and hon. members should not stray away from the item under discussion. Therefore I respectfully ask for the co-operation of the hon. member in limiting his remarks to the item.

Mr. Robichaud: Mr. Chairman, I will have to abide by your ruling but I am still convinced that the reason we have a transportation problem, the reason an extra amount is needed, is that we have a surplus of coal in the Atlantic provinces.

Some hon. Members: Order.

Mr. Robichaud: Last June temporary layoffs took place in the coal mines of Nova Scotia, and these layoffs were not avoided by definite action on the part of the present government.

Some hon. Members: Order.

Mr. Robichaud: There is only one chairman here and I hope that hon. members on the other side—

Mr. Grafftey: Why don't you abide by his ruling then?

The Chairman: Order. First of all I must ask hon. members to refrain from all talking at once. It is quite true that there is supposed to be only one Speaker and one Chairman presiding. Once again I must say to the hon. member that his remarks concerning what possibly took place in the mines which necessitated subsidies have reference to the economics of the mines whereas this is strictly a question of transport and transport payments. The hon. member must confine his remarks strictly to transport payments.

Mr. Robichaud: Mr. Chairman, again I accept your decision. I know that you want to limit my remarks to the question of the transportation of coal but in order to talk about the transportation of coal I want to lay before the committee the fact that there is at present a surplus of coal. I am not talking about the economic situation as far as

the coal industry is concerned. There is a surplus of coal in Nova Scotia and the surplus of coal today would not be there if the promises made by hon. members on the government side of the house had been kept.

That is my main argument, Mr. Chairman. I know that in New Brunswick in 1958 we had a decrease in production and transportation subsidies were not required for New Brunswick coal. But although production in Nova Scotia was 431,034 tons lower in 1958 than in the previous year, additional money is needed this year in order to subsidize the transportation of coal from Nova Scotia to central markets. The situation is worse today than it was 18 months ago when the present government took office. Only ten days ago 4,000 miners were laid off in Nova Scotia.

The Chairman: Order. I will try to make myself more explicit. This item has nothing to do with what happens at the mines. It has to do with what happens from point A where the rail cars leave to point B where the rail cars go. The only thing that can be discussed is what happens between those two points. I regret that I cannot permit the hon. member to enter into a general debate concerning the coal situation at present.

The question of relevancy has come up very frequently in this session and as it seems to be disregarded by too many members I believe it is necessary that I should bring to the attention of hon. members at this time that this rule should be strictly enforced in all debates. We have a long session ahead of us. We have very serious matters to discuss and debate and unless we adhere strictly to each item we will stray off into debates which will be endless. In one debate a certain degree of latitude was granted by the chair to the member introducing the discussion and as a result the same latitude had to be tolerated by the chair in the case of other speakers also. That debate threatened to be endless. Consequently I must remind hon. members that from now on we will enforce the rules. I am not here to make the rules. I am here to have them observed and the question of relevancy will be observed in its strictest sense. In the present instance, if the hon. member wishes to talk about what happens to these coal cars from point A to point B he can have the floor. Otherwise he cannot.

Mr. Chevrier: Mr. Chairman, I would be the last one—

Some hon. Members: Oh, oh.

Mr. Chevrier: I am sure the house realizes that I would be the last one to disagree with the chairman's ruling, and I did not rise to disagree with the ruling. On the contrary, I rose simply to bring this point to your attention, Mr. Chairman, that while I can find little to dispute in the general ruling you have just handed down, nevertheless I should like to remind you respectfully of one fact. During the course of the consideration of the preceding item, No. 709, the debate was allowed to stray to almost anything that concerned the Department of Labour. I am not suggesting that the same thing should be done here but I do suggest with respect that the member for Gloucester should be allowed to discuss the matter before the committee now, namely the dominion coal board and the expenditures required for the movement of coal. In order to do that I think there must be some leeway in the ruling so that he can lay the foundation for his argument on the movement of coal at the amount mentioned in the item now under discussion. I simply rose for the purpose of reminding the chairman that the debate was allowed to roam all afternoon on the previous item and I think that at least this speaker should be given some latitude.

Mr. Fleming (Eglinton): Mr. Chairman, with regard to the point raised by the hon. member for Laurier, I think I am disposed to agree with what he had to say about the debate having roamed very widely, very far afield indeed, on item 709, and I hope that what he has said now will be taken to heart by those who sit around him.

Mr. Habel: What about your members?

Mr. Chevrier: The speakers were as numerous on the other side.

Mr. Fleming (Eglinton): May I say this, further, that I feel my hon. friend is confusing this item in the supplementary estimates with the kind of discussion that is had on the main estimates. You referred on a similar point last week, Mr. Chairman, to a ruling to this effect, that where the supplementary estimate consists of an addition of a sum to the one already voted at the last session in the main estimates, the addition to the sum does not permit a wide ranging debate, as if the item before the committee were the original item.

The question before the committee is whether a particular sum shall be added to a sum that was already voted. It does not reopen the former item at all. In the present case, it is quite clear that the sum proposed to be added here is not to pay the subsidies as they were in existence prior to the commencement of this fiscal year. This sum is required for one purpose, and one purpose only, and that is to pay the addition that came into effect on April 1, 1958 to the subsidy on the movement of maritime coal to

the markets of central Canada; that is all that is involved in the item. This does not permit reopening of the discussion on the broad question of even the transportation of maritime coal to the central provinces. The subsidy for this was provided by parliament at the last session.

The one thing that is involved in the present item is whether parliament is prepared to approve the payment of the subsidy of 50 cents per ton which was added to the previously existing subsidy.

Mr. Robichaud: Before proceeding with my remarks, Mr. Chairman, I should like to say a word on the point of order. On page 838 of *Hansard* for February 9, 1959 the Minister of Finance, while addressing this house on a non-confidence motion and attacking the hon. member for Essex East, is recorded as saying:

> We have been waiting now for two days to get on to an item relating to the winter works program in the supplementary estimates, but hon. members opposite are talking about everything under the sun in order to prevent our reaching the discussion of this winter works program.

At that time the hon. member was talking about the subject of unemployment, so he is certainly taking a different attitude tonight than he was on February 9, because then he was saying that we had to get to the labour item on the supplementary estimates to debate unemployment.

I shall try again to abide by your ruling, Mr. Chairman. I fully realize that hon. members on the government side do not want to hear a discussion of the coal situation this evening. They know that the situation is altogether different from the one they would like to see. I know that quite a few of them, if not all of them, have no desire to speak on this item. I am surprised to find that on an item which has to do with the dominion coal board we are not allowed to speak about the dominion coal board. The dominion coal board appears to have been coming into the picture quite frequently during the last few weeks.

Mr. Fleming (Eglinton): I think the time has come to say very plainly that the hon. member is simply seeking, in a very palpable way, to circumvent and defy your ruling.

Mr. Chevrier: I rise on a point of order.

Some hon. Members: Order, order.

Mr. Chevrier: The Minister of Finance has no right to make the kind of statement he has just made. If he wants to raise a point of order, let him raise it, but he cannot make the statement he made and say that the hon. member is defying the Chair. He has no right to do it, and he should not try it.

Mr. Fleming (Eglinton): For the comfort of the ire of the hon. member for Laurier, I will repeat the statement.

Mr. Robichaud: Now that closure is being imposed on us—

Some hon. Members: Oh, oh.

The Chairman: Order; will the hon. member resume his seat.

Mr. Caron: There is no flag being draped around your seat tonight.

Mr. Robichaud: Before resuming my seat, I want to say that I will abide by your ruling. It will not be necessary for anyone to send for a flag, as has been mentioned by one hon. member. The minister can look all he wants to, but we remember this incident when he had to walk out of the house.

The Chairman: Order. We are discussing an item which deals with the transportation of coal. We are straying somewhat away from this item. We are talking about closure, flags and various other matters. I shall ask the hon. member to kindly confine his remarks to the transportation of coal. I must tell him, for the last time, that if he wishes to stray away and discuss the economics of the coal situation the chair will be forced to ask him, regretfully, to take his seat.

Furthermore, I must ask the committee to avoid any more incidents such as the one that has just taken place.

Mr. Robichaud: I realize that I was talking about transportation, but the transportation about which I was speaking was a little different from the transportation of coal. Someone had been transported out of the house. In any event, as I have said, the remarks which I intend to make this evening were directed to the coal industry, and in view of your decision I realize that I will be unable to proceed. Before resuming my seat I will ask the Minister of Mines and Technical Surveys to give us an explanation in full of this item.

Mr. Fleming (Eglinton): Mr. Chairman, I have already given an explanation of this item twice. If the hon. gentleman did not take it in either time, I shall endeavour to repeat it.

Mr. Robichaud: I asked the minister of mines to explain this item.

Mr. Fleming (Eglinton): It is customary for the Minister of Finance to answer general questions on the items in the supplementary estimates.

Mr. Chevrier: The question was directed to the minister of mines.

Mr. Caron: Are you the minister of mines?

Mr. Fleming (Eglinton): I have explained this item twice, and how it arises. It is to provide a subsidy of 50 cents per ton on the movement of coal, that addition having been brought into effect by order in council as of April 1, 1958.

Mr. Robichaud: Will the minister of mines tell us how many tons of coal this item covers, and where were they to be shipped?

Mr. Comtois: I shall try to bring the committee to a lower temperature. It seems to me that there is a misunderstanding about this item. This vote is not concerned with dominion coal board affairs. The vote states—

Mr. Robichaud: Dominion coal board.

Mr. Comtois: Yes, that is the title, but please, Mr. Chairman, I am asking the hon. member for Gloucester to read the explanation here. It says:

Payments in connection with the movements of coal under conditions prescribed by the governor in council.

The conditions were set out in the order in council, and the present vote relates only to them. I think that is sufficient. My understanding is that we are dealing with a particular item related to the increase in the subsidy which was decided upon last year at the beginning of the fiscal year and provided for by order in council. The addition of 50 cents a ton was made to the subsidy for the shipment of coal to the Ontario market.

Mr. Robichaud: Has the minister the order in council? Can he produce the order in council involved?

Mr. Comtois: I do not have this order in council here, but it was tabled at that time.

Mr. Robichaud: Can the minister explain the order in council? Can he tell us what it is about?

The Chairman: Shall item 710 carry?

Mr. Robichaud: We want to know what the order in council is about.

Mr. Comtois: I have not the order in council here, I am sorry to say.

Mr. Fleming (Eglinton): Mr. Chairman, the order in council, like others, has found its way into the regular reports that are made and form part II of the *Canada Gazette*. This matter was discussed fully last session. My hon. friend has apparently overlooked the fact that this matter was discussed fully in the estimates committee at the 1958 session when the main estimates for the year 1958-59 of the Department of Mines and Technical Surveys were reviewed. In this matter we are threshing again very old straw. This vote is intended to provide a subsidy on the same movement of coal as was discussed there, adding 50 cents to the subsidy then approved.

Mr. Chevrier: Mr. Chairman, even if the item were discussed 110 times, the hon. member has the right to ask the Minister of Mines and Technical Surveys a question and that is what he has done.

Mr. Fleming (Eglinton): He has his answer.

Mr. Comtois: It is very simple. I think everybody knows about that order in council. It was tabled.

Mr. Robichaud: Everybody but the minister.

Mr. Comtois: I am sure the hon. member for Gloucester knows about it. It is very simple. It is an increase of 50 cents a ton on Nova Scotia coal transshipped from any port in Quebec—Montreal or Three Rivers —to the Ontario market.

Mr. Robichaud: On what date was this order in council passed?

Mr. Comtois: On April 9, 1958.

Mr. Robichaud: At least we obtained one answer.

(Translation):

Mr. Dumas: Mr. Chairman, we are now considering an item of $630,000, representing an additional subsidy of 50 cents a ton for the transport of coal to the province of Ontario.

I am of the opinion that this question of coal transportation is closely linked with the difficulties prevailing at the present time in that part of Nova Scotia where 4,000 miners are jobless. Should the government ask us to vote a sum of money—let us say twice as much as the one now listed in the supplementary estimates—perhaps we would not have those 4,000 jobless miners in Nova Scotia. Therefore, Mr. Chairman, I say that when we refer here to those jobless miners in that part of Nova Scotia, we are quite right and, in fact, if the government should ask the house to vote $1,500,000 instead of $630,000, there would not be any jobless people in Nova Scotia at present. That is the issue which concerns us at the moment.

In 1958, Nova Scotia produced 5,254,736 tons of coal, of which about 1,700,000 tons were transported to the province of Quebec, and about 500,000 tons to the province of Ontario. I am informed that for the year 1959, this additional amount of 50 cents a ton, which we are asked to vote now for the transportation of Nova Scotia coal east of

Toronto, will be inadequate. It is the duty of the government to tell us, while we are asked to vote that additional sum of $630,000: "We propose to ask the house to vote this supplementary credit in order to permit the transshipment of a greater quantity of coal to the province of Ontario".

In 1958, the province of Quebec market remained roughly the same as it was in previous years. Since 1947, about 1,800,000 tons of coal have been sold in the province of Quebec each year, and that has been the main maritimes' external market.

In the province of Nova Scotia, the consumption reaches roughly 1,800,000 tons also.

During the same span of years, a certain quantity of coal has been sold to Newfoundland and New Brunswick, and the rest was used in industry or by Dosco itself, either in Sydney, or in some other of its plants.

Mr. Chairman, the study of this item is very important and we who are sitting here on this side of the house, want this sum to be voted as soon as possible. But here is what happened. Last year—and here again it is a question of transport—the people of Nova Scotia were told that all their problems were settled, that the new government would look after the Nova Scotia coal mines. What has been done? If the government had kept its promise last year and had made possible the transportation of more coal outside the maritimes, we would not be confronted with this most serious problem at the present time. Our hearts go out to the people of Nova Scotia—

(Text):

Mr. Coates: Mr. Chairman, the hon. member is certainly not abiding by the ruling made by the chair earlier.

(Translation):

Mr. Dumas: I said, at the outset of my remarks that this question of coal transportation was the problem which the Nova Scotia coal mines had to face at the present time. The 10,000 or 12,000 miners employed in the collieries of Cape Breton—

An hon. Member: The hon. member who just interrupted you should know it.

Mr. Dumas: Mr. Chairman, I submit that promises were made to Nova Scotia. They even went so far as suggesting there would be no unemployment in the mines. What did we see? Last summer, we saw—

(Text):

Mr. Fleming (Eglinton): I rise on a point of order, Mr. Chairman. We are having a repetition of the same sort of thing we encountered with the hon. member who spoke previously. In view of the fact that you were not in the chair when this point arose on the remarks of the hon. member who spoke previously may I point out, Mr. Chairman, that this item concerns one matter and one matter only—

Some hon. Members: Closure.

Mr. Fleming (Eglinton): —namely the addition effective April 1, 1958 of the sum of 50 cents per ton to the existing subsidy on the movement of maritime coal to the markets of central Canada. It concerns that one thing, namely the addition of 50 cents to the previous subsidy. It does not warrant this discussion, as was ruled by the Deputy Speaker when in the chair earlier. It does not give any warrant for this wide-ranging discussion into the whole economy of the coal industry. The hon. gentleman who is now speaking is just making the kind of speech which the hon. member who spoke previously attempted to make and which the Deputy Speaker, when in the chair, ruled to be clearly out of order.

Mr. Chevrier: May I be allowed to say a word on the point of order. I listened very carefully to what the hon. gentleman was saying in the French language and anyone who understands the French language properly can come to no other conclusion but that the hon. member was dealing with the transportation of coal. He directed his remarks continually toward the transportation of coal, and he dealt with that from the beginning of his remarks, during his remarks, and until he was interrupted by the hon. the Minister of Finance. I respectfully submit to you, sir, that he is perfectly in order in the remarks which he has made.

The Deputy Chairman: I happened to be standing behind the curtain when the Chairman made his ruling, so I did happen to hear it. Therefore I will follow the ruling of the Chairman naturally. I do feel that the hon. member for Villeneuve started out, as far as the translation is concerned, quite in order. I think that in the last three or four minutes he began to wander a little, but I am sure he will want to get back to the subject.

Mr. Dumas: You are very kind, Mr. Chairman.

(Translation):

I stated my case on this matter last year, but again, this matter of transportation is what we are concerned with at this time, and it is precisely on this point, and on the sole basis of this matter of transportation, that the Minister of Finance is asking us today to vote an amount of $630,000. I am sure the Minister of Finance is anxious that this amount be voted as soon as possible. However, it is the responsibility of the opposition to draw attention to some very important points that are of concern to the people of Nova Scotia.

Last December, the Minister of Mines and Technical Surveys (Mr. Comtois) had some talks here with members of the management of the Dosco mine and with a group interested in the coal mining industry. Surely, on that occasion, some mention must have been made that men would shortly be laid off. This matter of coal transportation was therefore referred to, since, as I said a moment ago, in the province of Nova Scotia, coal consumption amounts to about a third of the whole production in that province, while the other two thirds are exported. So my arguments are always closely linked with this transportation issue.

Quite recently we had the visit of the premier of Nova Scotia here in Ottawa. Labour union representatives came here to discuss with government members that Nova Scotia coal transportation issue. In the province of Quebec and in Ontario, it was decided—

(Text):

Mr. Fleming (Eglinton): Mr. Chairman, I must correct the hon. gentleman, and in so doing I rise on a point of order. He is now proposing to discuss the matter of representations or discussions recently entered upon by the premier of Nova Scotia. I must point out that those discussions have nothing whatever to do with the subject now before the committee.

Mr. Crestohl: What kind of closure are you trying to put on us now?

The Deputy Chairman: Order.

Mr. Fleming (Eglinton): We are dealing here with one matter and one only. We are not discussing the transportation of coal in general. We are dealing with one question directed to whether parliament shall provide the sum required to pay an additional subsidy of 50 cents per ton effective April 1, 1958. That is all. These discussions that my hon. friend wants to advert to now have nothing to do with this item at all.

(Translation):

Mr. Dumas: Mr. Chairman, I am positive you will agree that my remarks were dealing with item 710 of the supplementary estimates for the year closing on March 31, 1959.

At any rate, I do not want to prolong the discussion, because we on this side of the house are interested in the welfare of the Nova Scotia miners, and in their returning to work as soon as possible.

The government should disclose to us its intention of adding a further amount to this item in order to improve the distribution of Nova Scotia coal.

That is our argument, Mr. Chairman. If the minister is prepared to promise to us, to-night, that the government intends in the near future to ask the house to increase the grants for the transportation of coal, or to further the mechanization of the mines, or to offer grants with a view to building up coal washing plants, I shall resume my seat at once, and we are going to agree to this item immediately.

Mr. Chairman, this matter of the Nova Scotia coal is a far-reaching one and the government has promised the people in that province that the problem would be solved. Therefore, we ask the government to solve it as soon as possible.

(Text):

Mr. Robichaud: Mr. Chairman, I think before deciding this question we should have an answer from the minister. My colleague, the member for Villeneuve, stated that we on this side of the house are not satisfied when $630,000 only is voted to take care of the situation as an additional subsidy on transportation of coal. The Minister of Mines and Technical Surveys knows that representations have been made to the government. They were made here on November 19. They were made again on December 17, again on December 19, again on—

Mr. Fleming (Eglinton): Mr. Chairman, I rise again on a point of order. We are just having a repetition of the same kind which occurred a moment ago. My hon. friend now wants to talk about discussions held in connection with something else, something additional that has nothing whatever to do with the item under discussion. It has nothing to do with the payment of the subsidy of 50 cents per ton which was brought into effect by order in council on April 1 last, and I ask, Mr. Chairman, that you hold the discussion strictly to the item which is before the house.

The Deputy Chairman: I want to say further that, following the rule of the chairman

of committees I must ask the hon. member for Gloucester to consider the payment in connection with the movement of coal under conditions prescribed by the governor in council.

Mr. Crestohl: Mr. Chairman, I rise on a point of order. Perhaps the minister will illustrate to us just what we can discuss under this heading. We are in committee of the whole, and on items presented to the house asking for a vote of $600,000-odd, I respectfully submit to you we should have some latitude to examine as to whether or not the sum should be voted, whether a greater sum should be voted, or whether a smaller sum should be voted. We are entitled to some latitude to examine the item and discuss it. We simply cannot be closed off and just say "I will vote for it", or "I will not vote for it." I would like an illustration from the minister as to what he thinks can be said on such an item other than just voting for it. I respectfully submit to you, Mr. Chairman, that you should allow an examination into that item in so far as it will deal with that item. Is the amount sufficient? What makes it necessary to present this item now to the house for approval? We cannot approve it in blank and rubber stamp it. I submit we are entitled to some latitude in examining it, and I think that is what the hon. members were doing.

(Translation):

Mr. Dumas: Mr. Chairman, I have asked a few questions of the Minister of Finance. I cannot blame him for failing to answer my questions. I would like to ask the same questions of the Minister of Mines and Technical Surveys (Mr. Comtois) so that he may reply. Could the minister tell us how many tons of coal are affected by this item of $630,000 that we are asked to vote today?

Mr. Comtois: I think it is time to clear up this situation. I will try to do so in order that the matter be well understood and so that this question which is interpreted in a certain manner on one side of the house and in a different manner on the other side be settled once and for all. The amount provided for in last year's estimates was $8,580,250, for subsidies to be paid during the year. After the start of the fiscal year, an order in council was passed raising the subsidy on Nova Scotia coal by 50 cents a ton. Of course, the cost of that could not be determined until the end of the year. No one knew at the time how many tons of coal would be sold on the Ontario market. Well, at the end of the year, it was found that for Nova Scotia only—I repeat, for Nova Scotia only—an additional amount of $1,808,170 was required as a result of this increase of 50 cents a ton granted by order in council in April 1958. While our estimates for the year did not meet the full amount for Nova Scotia, due to the increase granted by order in council, our estimates for Alberta coal showed a surplus, which was applied against the transportation of Nova Scotia coal. But we still needed $630,000, and that is the amount we are asking the house to approve in order to complete the amount of the additional subsidy.

Mr. Dumas: The reason I directed that question to the minister is that a few moments ago he mentioned that this applied only to coal shipped to Ontario. Is that item only for coal shipped to Ontario?

Mr. Comtois: Yes, certainly, Mr. Chairman.

Mr. Dumas: Now turning to the three questions I raised, I said we were in favour of voting this item of $630,000, but I asked the minister whether the government could now indicate whether a plan for the future has been worked out, and whether, for instance, there is to be a supplementary vote, an additional vote for speeding up mechanization, or whether it has been decided to grant a subsidy to enable firms to build a cleaning plant so as to improve the quality of their coal. As an example, the Ontario Hydro Electric Company is willing to buy Nova Scotia coal provided that it is of the required quality and, of course, that it is sold at a comparable price to American coal.

The province of Ontario buys 16 million tons of coal per year. I realize the difficulties involved. American coal costs less delivered than Nova Scotia coal at the mine pit. That is why, today, the government must subsidize the transportation of Nova Scotia coal, so that it may compete with imported coal. Is the government in a position tonight to state whether it intends to increase coal transportation subsidies and to ask parliament to vote a grant to speed up the mechanization program of mines and the construction of a cleaning plant? That would raise our hopes for a significant improvement of the situation which has been existing since 1958 in Nova Scotia.

Mr. Comtois: Mr. Chairman, the hon. member for Villeneuve cannot ask me to answer

a question on a matter the government has under consideration. That question has already been asked by the hon. member for Gloucester (Mr. Robichaud). I have already answered that the matter was being considered and that I would announce to the house the government's decision.

Mr. Dumas: I believe that the Minister of Mines and Technical Surveys is indeed well disposed towards coal industry in Nova Scotia and in western Canada. However, since the committee on mines, forests and waters is sitting since this morning and that its sittings will probably go on till the end of April, may I ask the hon. minister to convince his colleagues that the situation in Nova Scotia is quite serious, that it is important that a decision be reached as soon as possible and reported to this committee, which in my opinion, is the best committee of the house.

(Text):

Mr. Robichaud: Could the minister at least give us some indication as to when we could expect a decision following the series of representations made to him and to the government.

Mr. Fleming (Eglinton): It has nothing to do with this item, Mr. Chairman.

Mr. Robichaud: Is it the intention of the minister to introduce further supplementary estimates to cover the subvention on the transportation of coal from Nova Scotia?

Mr. Fleming (Eglinton): If the government so decides, the hon. member will learn of it in due course.

Mr. Peters: A great number of questions have been raised which I am sure should not have been raised, and I believe they have confused other hon. members as much as they have confused me. I should like to ask a number of questions in the hope of getting the information I need. First, what does the 50 cents make the total subsidy paid for the transportation of coal? Is the 50 cents something additional or is it the total subsidy?

Mr. Comtois: The hon. member should be aware that on every ton of coal shipped to the ports of the St. Lawrence and then transshipped to the Ontario markets the government grants a subsidy of $5.25.

Mr. Peters: Does that include the 50 cents?

Mr. Comtois: Yes sir.

[Mr. Comtois.]

Mr. Peters: On what grades of coal are these payments made; are they paid on all grades or only on certain classes of coal?

Mr. Comtois: Bituminous coal for power.

Mr. Peters: What is the method of obtaining the subsidy? To whom do you pay it?

Mr. Comtois: We pay the subsidy to the company which sells the coal, of course.

Mr. Peters: Could I inquire how much subsidy is paid to the companies?

Mr. Comtois: Mostly to the Dominion Coal Company. This company produces about 80 per cent of all the coal produced in Nova Scotia.

Mr. Peters: The minister mentioned $5.25 per ton when shipped to the Ontario market. Does this create a favourable differential in competition with, first of all, United States imports and, secondly, with coal coming from western Canada. In other words, is the subsidy leading to the sale of maritime coal rather than coal imported from the United States and the west?

Mr. Comtois: The subsidy of course improves the condition of the market and helps to sell the coal in Ontario.

Mr. Robichaud: Does it cover both domestic and industrial coal?

Mr. Comtois: I did not understand the hon. member's question.

Mr. Robichaud: Does the subsidy cover coal for domestic use and for industrial use?

Mr. Comtois: Yes.

Mr. Godin: Mr. Chairman, I trust I may carry on for at least half a minute before I am found out of order by the Minister of Finance, the self-appointed chairman of this committee.

An hon. Member: That depends on what you say.

Mr. Godin: I feel it would be fitting if I were to make a brief reference to the fact that I deeply appreciated the wonderful address which the Minister of Finance had occasion to deliver in Sudbury last night in connection with the observance of Brotherhood Week. My only wish at this time would be that the minister this evening would practice to a greater extent what he preached last night. The hon. gentleman had no difficulty winning converts to the brotherhood idea and he captured and held the interest of the audience to a marked degree.

I feel it is my duty in discussing this item to point out that the government has failed to come to terms with the problem confronting the coal industry. I realize that I do not

come from a coal producing area of Canada but since I have been a member of this house during the last two sessions I have observed that there is no problem in the eastern provinces that has commanded more attention than that facing the coal industry. The renewed and increased difficulties in the industry about which we have recently heard indicate that the government has failed to find a solution.

I should like to associate myself with the remarks made by the hon. member for Gloucester and especially with the remarks made by the hon. member for Villeneuve who indicated the need for increased coal subsidies. I urge that the attention of this government be directed to considering the problems of the industry and the whole question of the payment of subsidies on the transportation of coal. I hope the government will see fit to answer the requests that have been made for action in this regard and take steps to alleviate the grave condition that exists in the eastern provinces in respect of the coal industry.

Mr. Peters: Mr. Chairman, before this item passes I should like to ask a few questions of the minister. I would like to know the percentage of coal hauled by the C.P.R., C.N.R. and by water?

An hon. Member: What about air? What about Trans-Canada Air Lines?

Mr. Comtois: There is no way of knowing.

Mr. Peters: Would the minister give an estimate?

Some hon. Members: No.

Mr. Peters: Since the minister cannot give me the exact figures I would appreciate an estimate of what percentage is hauled by each of these means. Is the subsidy being paid under this item larger than the freight rate, or half of it? What is the percentage?

Mr. Comtois: Mr. Chairman, I would have to give full details on the different subsidies paid on transportation by rail or ship from one point to another and from one district to another. If the hon. member wishes I could privately furnish him with all the details which cover three full typewritten pages. I am perfectly willing to give him this information.

An hon. Member: Send him a letter.

Mr. Robichaud: Mr. Chairman, it is regrettable that some hon. members on the government side who come from coal producing areas have not seen fit to take this problem seriously.

Some hon. Members: Oh, oh.

Mr. Robichaud: They have been laughing and joking about the whole matter since the debate started.

Mr. Bell (Saint John-Albert): We were laughing at you.

Mr. Robichaud: Could the minister tell us how many tons came under the subsidy? What was the total percentage of coal that came under the subsidy?

Mr. Comtois: The information I have indicates that 2,670,885 tons came under it.

Mr. Robichaud: Mr. Chairman, that certainly was not enough to take care of the Conservative lent which is taking place in Cape Breton today.

Mr. MacEwan: Mr. Chairman, my remarks will be very brief. I would not want to disappoint the hon. member for Gloucester by having no one from Nova Scotia on this side of the chamber speak on this item. I should like to congratulate the government and the appropriate minister on the subventions that have been paid and also on the provision of this additional amount which I understand has helped acquire markets in Belleville, Ontario, and has also landed coal as far east as Toronto. The landing of Nova Scotia coal in eastern markets is of great assistance.

I am sure the government is considering the problems confronting the coal industry which were so ably expressed by the hon. members for Villeneuve and Gloucester and that appropriate action will be taken in this regard.

May I conclude by saying that I am glad hon. members of the Liberal party from the maritime provinces and also from Quebec have seen fit to speak on this item.

Mr. Robichaud: You should say we tried to speak.

Mr. MacEwan: Yes I really should say that because you did not do too well, that is true. Several years ago in the county of Pictou at a certain coal mine employing between 1,000 and 2,000 men—

The Deputy Chairman: Order. Shall the resolution carry?

Mr. Peters: May I call it ten o'clock, Mr. Chairman. I should like to ask a few more questions on this subject.

Resolution adopted in committee of supply this day reported, read the second time and concurred in.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I ask the minister who is leading the house what the government business is for tomorrow?

Business of the House

Mr. Churchill: Mr. Speaker, there is no change in the program as announced yesterday but I will put it on the record if hon. members so wish. Tomorrow we will continue with the supplementary estimates. We will then take item No. 6 on today's order paper, the resolution concerning the St. Lawrence seaway; followed by item No. 7, the resolution concerning the Northwest Territories Act; item No. 4, the resolution concerning the National Defence Act; item No. 2, the resolution concerning the Fisheries Improvement Loans Act; item No. 9, the resolution concerning the Federal-Provincial Tax-Sharing Arrangements Act; and then item No. 12, the resolution concerning the appointment of parliamentary secretaries to ministers of the crown.

This will carry over to Thursday, I presume. On Thursday there will be added to the list item No. 8, the resolution concerning the National Housing Act, and item No. 3, the resolution concerning the Trans-Canada Highway Act.

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

ANSWERS TO QUESTIONS

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

ST. LAWRENCE SEAWAY CANAL CONTROL

Question No. 4—**Mr. Chevrier:**

1. When the St. Lawrence seaway is opened to navigation what canals will be entrusted to the St. Lawrence seaway authority for operation?
2. Has the St. Lawrence seaway authority been given title to and control of the Welland ship canal and lands adjacent thereto? If so, on what date?
3. Has the St. Lawrence seaway authority been given title to and control of the Cornwall canal and lands adjacent thereto? If so, what area of the Cornwall canal is included in the transfer and on what date did it take place?
4. What duties and responsibilities will hereafter be entrusted to the canals branch of the department of transport and will this branch remain where it is or be brought under the jurisdiction of the St. Lawrence seaway authority?
5. To what division of the department of transport will the secondary canals of Canada be entrusted for operation?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Pursuant to section 14 of the St. Lawrence Seaway Authority Act it is proposed to seek authority of the governor in council to entrust to the authority the management and operation of the following canals: (a) that portion of the Ontario-St. Lawrence canals remaining in service after the flooding of the pool above the power dam at Cornwall; (b) Lachine canal; (c) Welland canal; (d) Sault Ste. Marie canal; (e) the Beauharnois canal.

2 and 3. Answered by 1.

4. The canals division of the Department of Transport will continue to administer the St. Peters canal, Canso lock, Chambly canal and the St. Ours lock on the Richelieu river, St. Annes lock and Carillon-Grenville canals on the Ottawa river, the lands of the Old Beauharnois canal and Soulanges canal, the Rideau canal and Trent canal.

5. Answered by 4.

CANADIAN NATIONAL STEAMSHIPS

Question No. 15—**Mr. Chevrier:**

1. How many vessels did the Canadian National steamships own in 1958?
2. Did a strike against such vessels take place? If so, on what date?
3. Was the strike settled?
4. Did the government authorize the transfer of the flag of the Canadian National steamships vessels from Canadian to foreign registry? If so, for what purpose?
5. Did the government authorize a retransfer of the flag to Canadian registry? If so, for what purpose?
6. What did the transfer of the flag accomplish?
7. Did the sale of the above vessels take place, and to whom?

Questions

8. Have the vessels been operated since the date of the sale, and between what countries have they been plying?
9. What purpose has been accomplished by the sale?
10. Where are each of the ships now?
11. Since the date of the strike, for what length of time have these ships been immobilized?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Prior to the date of sale the Canadian National Steamships owned eight vessels.

2. July 4, 1957.

3. The management of the Canadian National (West Indies) Steamships Limited announced on May 21, 1958, its decision to abandon the service between Canada and the West Indies and to dispose of the ships by sale. The House of Commons was advised of this decision on the same date.

4. A complete statement on the transfer by the company of the ships from Canadian registry was made in the House of Commons on November 11, 1957.

5 and 6. In announcing on May 21, 1958, the decision to abandon the Canada-West Indies service, the management stated that the registry of the eight vessels had been transferred from Trinidad to Canada for the purpose of the sale of the fleet.

7. Yes. Banco Cubano del Comercio Exterior.

8. Not to the knowledge of the management.

9. In addition to the announcement on May 21 a further statement was made in the house on August 12, 1958.

10. At date of sale the eight vessels were anchored at Halifax. The last press reports to come to the attention of the management indicated that seven were in Halifax and one in Baltimore.

11. So far as the management of the Canadian National (West Indies) Steamships is concerned—from the date of the strike, July 4, 1957, to the date of the sale, August 12, 1958, the ships were out of service.

MICHEL CHARTRAND TELECAST—LEGAL OPINION

Question No. 67—**Mr. Howard:**

1. Was the Department of Justice asked for a legal opinion regarding a political telecast given by Mr. Michel Chartrand of 3 Sylvester street, Longueuil, Montreal 23, Quebec, on November 3, 1958, over the Canadian Broadcasting Corporation television station CBFT channel 2, Montreal?
2. If so, what opinion was given and by whom was it signed?

Answer by: **Hon. E. D. Fulton (Minister of Justice):**

1. Yes.

2. Legal advice given by the Department of Justice to another department or agency

of the crown is of the nature of communications between solicitor and client and is therefore a privileged communication the publication of which is contrary to public policy.

CANADIAN NATIONAL STEAMSHIPS—SALE OF VESSELS

Question No. 79—**Mr. Argue:**

1. What was the date of sale of the strike-bound ships owned by Canadian National (West Indies) Steamships Limited?
2. What were the terms of this sale?
3. What was the purchase price of these ships to be?
4. Have the terms of the sale been fully met?
5. If not, in what respects have they not been met?
6. How much money has now been paid to the owners of the ships in question for their purchase?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. August 11, 1958.
2. Payment of 20 percent at time of purchase and the remainder in five equal yearly payments with interest at 5 per cent per annum.
3. $2,800,000.
4. Yes.
5. Answered by No. 4.
6. $560,000.

SALT FISH EXPORTS TO CARIBBEAN COUNTRIES

Question No. 112—**Mr. McWilliam:**

What was the value of the salt fish exported to the Caribbean countries by Canada, and the respective values for New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland, for the years 1956 to 1958, inclusive?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

The value of exports of salt fish to Caribbean countries in the years 1956, 1957 and 1958, and the value of these exports cleared through customs ports in New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland, were as follows:

Year	1956	1957	1958
Total Canada	$11,905,932	$12,424,852	$11,449,365
New Brunswick	248,766	226,795	222,839
Prince Edward Island	—	—	—
Nova Scotia	11,142,597	11,610,191	11,065,969
Newfoundland	422,576	525,602	86,963

EMPLOYMENT SERVICE, NOVA SCOTIA—UNPLACED APPLICANTS

Question No. 122—**Mr. Robichaud:**

What is the number of unplaced applicants for each employment service office in Nova Scotia, for the most recent date for which such data is available?

Answer by: **Hon. Michael Starr (Minister of Labour):**

Number of unplaced applicants at local offices of the unemployment insurance commission's national employment service in Nova Scotia at 29 January, 1959, the most recent date for which such data are available, are as follows:

Local office	Number of Unplaced Applicants
Amherst	1,377
Bridgewater	2,392
Halifax	6,781
Inverness	1,433
Kentville	4,061
Liverpool	836
New Glasgow	4,951
Springhill	1,526
Sydney	7,227
Truro	2,150
Yarmouth	3,896

[The following item was passed in committee of supply]:

DEPARTMENT OF LABOUR

Special services—

709. Payments to a province during the 1958-59 and 1959-60 fiscal years in accordance with an agreement entered into by the government of Canada and the province, with the approval of the governor in council, that provides for contributions by the government of Canada of amounts not exceeding one half of the cost of labour incurred in the period from the 1st day of December, 1958, to the 30th day of April, 1959, on winter work projects in municipalities as contemplated by the agreement, $15,000,000.

HOUSE OF COMMONS

Wednesday, February 18, 1959

The house met at 2.30 p.m.

PRIVILEGES AND ELECTIONS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Heath Macquarrie (Queens) presented the first report of the standing committee on privileges and elections, and moved that the report be concurred in.

Motion agreed to.

CANADIAN PACIFIC RAILWAY

BRITISH COLUMBIA—ANNOUNCEMENT RESPECTING CONTINUANCE OF WINTER FERRY SERVICE

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I should like to read to the house a telegram which I received this morning and in which I think all members will be interested. It is from Mr. N. R. Crump, president of the Canadian Pacific Railway, and was sent from Montreal this morning to me as Minister of Transport. The telegram reads as follows:

Am glad to inform you that after careful study it has been decided to operate daily service, Vancouver-Victoria and return commencing February 25 when present service discontinued until May 15 when summer triangle service will be resumed. Expect substantial loss from this operation but attempt will be made keep to minimum by providing austerity service. It will, however, maintain the connection desired.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I just on that point—

Some hon. Members: Order.

Mr. Speaker: The hon. member is at liberty to make a brief comment after a statement by a minister.

Mr. Winch: As a member representing British Columbia and particularly the city of Vancouver, I want to say how much we welcome the announcement just made by the Minister of Transport. We sincerely hope that the losses will not be too great, and we are most pleased that this most vital service between Vancouver and Victoria is going to be maintained.

STARRED QUESTIONS

MALTON AIRPORT PROPERTY EXPROPRIATION

Question No. 4—**Mr. Fisher:**

1. Did the crown engage an independent evaluator in order to appraise any properties being expropriated by the crown in connection with the extension of Malton airport in the past three years?
2. If so, when and by what official were the services engaged; what was the evaluator's name; when did he make his report; what were the properties, their values, and their owners?
3. Have the evaluator's recommendations been received and acted upon? If so, in what manner?
4. Has the evaluator been paid? If so, how much?

He said: Mr. Speaker, the hon. minister has only a partial answer available because the matter is involved in a question before the courts, so I would ask leave to withdraw the question. I hope this will not prejudice my placing it on the order paper again at another time.

Mr. Speaker: Has the hon. member leave to withdraw this motion?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

UNEMPLOYMENT INSURANCE COMMISSION—AGENTS

Question No. 20—**Mr. Robichaud:**

1. Have any persons been appointed to act as agents to the unemployment insurance commission?
2. If so, what services do they perform?
3. What is their remuneration?
4. Who recommends them for appointment?

Hon. Michael Starr (Minister of Labour): In answer to the first part of the question, the answer is yes. The answer to the second part is, completing applications for employment and applications for unemployment insurance benefits. The answer to the third question is, $1 for each claim filed with supporting documents. The answer to No. 4 is, recommendations are received from various sources. Appointments are made by the unemployment insurance commission.

OPERATION OF D.E.W. LINE

Question No. 21—**Mr. Hellyer:**

1. What corporation is operating the D.E.W. line?
2. Is it United States or Canadian?
3. Is the company being paid by Canada or by the United States?
4. How many Royal Canadian Air Force officers are stationed at D.E.W. line stations?

Hon. G. R. Pearkes (Minister of National Defence): These questions ask for information regarding the D.E.W. line, and the answers to the various parts of the question are as follows:

1. The Federal Electric Corporation.
2. This is a United States company.
3. This company is responsible for the maintenance of the D.E.W. line under a contract paid for by the United States government.

Starred Questions

4. Eight at the present time. As additional R.C.A.F. officers are trained, the total number will rise to 20.

R.C.A.F., GOOSE BAY—CASUAL EMPLOYEES

Question No. 22—**Mr. Tucker:**

1. At what place and by whom are prevailing rates and casual employees engaged for service at Goose Bay Royal Canadian Air Force station?
2. Is any preference given to Newfoundlanders in employment at this station, in the province of Newfoundland?

Hon. G. R. Pearkes (Minister of National Defence): Question No. 22 asks for information about employees of the Department of National Defence at Goose Bay. The answers are as follows:

1. At the present time prevailing rate and casual employees engaged for service at the R.C.A.F. station Goose Bay are recruited from Happy Valley and North West River, Labrador, and Moncton, New Brunswick. Such employees are normally recruited through the national employment service.

2. Yes. Wherever possible preference has been given to residents of the province of Newfoundland. The department's plan is to recruit all personnel for employment at Goose Bay within the area covered by the national employment office at St. John's, Newfoundland, which includes Happy Valley and North West River. Recruiting of personnel outside of this area will take place only when no suitably qualified candidates are available through this office.

PAINTING "LANDSCAPE WITH CHRIST APPEARING TO THE APOSTLES"

Question No. 23—**Mr. Pickersgill:**

1. Did the director of the national gallery receive authorization from the government or any member of the government or anyone authorized to speak for a minister, either in writing or orally, to make an offer for the purchase of the painting "Landscape with Christ appearing to the Apostles" by Breughel?
2. Was any offer made by the director of the national gallery to any agent acting for the owner Baron G. Von Polnitz to purchase this painting?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the answer to this question will be somewhat lengthy and entails considerable explanation. Therefore I ask leave for it to be made an order for return.

Mr. Pickersgill: I would not ask the hon. lady to read it, but could we not have it printed in *Hansard*?

Mrs. Fairclough: In that event, Mr. Speaker, may we let it stand.

Question stands.

[Mr. Pearkes.]

POWER DEVELOPMENT, SASK.—FEDERAL LOAN

Question No. 24—**Mr. Argue:**

1. Has the Saskatchewan government made requests for a federal loan of $100 million for power purposes?
2. If so, on what dates were such requests made?
3. Has the federal government now made a decision as to whether it will meet the requests of the Saskatchewan government?
4. If so, what is the decision?
5. Has the Saskatchewan government been advised of this decision?
6. If so, on what dates were they so advised?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, this question is in six parts. The answers are as follows.

1. Yes. The province requested a minimum total loan of $100 million over five years at a rate not exceeding 4¼ per cent repayable at the end of 50 years.

2. January 24, 1958.

3. No decision has been taken yet, because criteria of a national power policy are still developing.

4. Not applicable.

5. In a letter dated February 25, 1958, the province was advised that the matter was being studied. Premier Douglas agreed on March 4, 1958, that this was properly a matter for an extended study.

6. Inapplicable.

COUNTY JUDGE APPOINTMENT, ESSEX COUNTY, ONT.

Question No. 25—**Mr. Martin (Essex East):**

1. Have steps been taken by the government to appoint a third county court judge in the county of Essex in the province of Ontario?
2. If so, has the province of Ontario agreed to such an appointment?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, this question consists of two parts and I should like to answer both parts together.

The appointment of a third judge to the county court of the county of Essex in the province of Ontario cannot be made until provision for the assignment of that judge has been made by or under appropriate provincial legislation. Such provision has not been made as yet.

Mr. Martin (Essex East): I wonder whether the minister could say if he knows whether or not it is the intention of the government of Ontario to make such a provision.

Mr. Fulton: I understand that it is, but I do not know when.

QUESTION PASSED AS ORDER FOR RETURN

WINTER WORKS PROGRAM, NEW BRUNSWICK

Question No. 113—**Mr. McWilliam:**

What are the 91 or more, projects approved, with amounts and locations, under the winter works program with the province of New Brunswick?

COAL

NOVA SCOTIA—MASS LAY-OFFS—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I ask leave to move the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the crisis in the maritime coal industry which has occasioned mass lay-offs because of a steadily declining market for the product of this basic industry of Nova Scotia.

Mr. Speaker: This suggested matter of urgency of debate is one we have heard from time to time in the course of this session. Questions have been asked and pressure has been applied during question time in order to have this matter considered. I should be glad to have advice from those who are familiar with the practice in these matters as to the urgency of debating this subject at this time.

Hon. J. W. Pickersgill (Bonavista-Twillingate): If I may say a word on this point I would draw Your Honour's attention to the fact that it was the impression of my hon. friend from Gloucester and many of us on this side of the house that there would be an opportunity to discuss this matter on the supplementary estimates, and it was for that reason that we refrained at an earlier date from bringing this subject forward in this way. However, as Your Honour may be aware, last evening when the hon. member for Gloucester sought to discuss some of the more pressing aspects of this matter on the item in the supplementary estimates respecting the dominion coal board the chairman ruled him out of order on an interpretation of the item which I, of course, will not discuss because I do not think it would be proper for me to discuss a decision of the Chair.

We accepted that decision, but it did rule out what we believed was an opportunity for a debate on a matter which is urgent not merely as a problem but, I suggest to Your Honour, very urgent as a matter for debate. Before my hon. friend made the proposal he just made for leave to present his motion today, we considered very carefully whether there was any other way a debate could be brought on at an early date. As Your Honour is aware, of course, there has been a considerable lay-off in what is the main industry of the province of Nova Scotia, and there have been repeated attempts from this side of the house to put forward arguments to urge the government to announce its policy without further delay.

It is in order to have an early debate on this subject, and because there seemed to be no other opportunity available in the near future, that my hon. friend has brought this matter forward today.

Mr. Speaker: I wonder if hon. members would address themselves to the following point. The question that concerns me is whether there will be an opportunity to discuss this important matter, such that we do not need to interrupt the proceedings to deal with it today, or whether there has already been ample opportunity this session. I will hear the Minister of Finance.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, may I say a word first of all concerning an observation just made by the hon. member for Bonavista-Twillingate (Mr. Pickersgill). He has intimated that when an attempt was made on an earlier—

Mr. Speaker: Order. I think the minister may assume that I have read the proceedings and know what transpired yesterday.

Mr. Fleming (Eglinton): I was not referring only to that, Mr. Speaker. The hon. member intimated that when a question had been asked on an earlier occasion as to when this matter might be raised the committee had been told that it might be raised on the supplementary estimates.

Mr. Pickersgill: No, no. I am afraid the minister misunderstood me.

Mr. Fleming (Eglinton): Well, I am content as long as we are clear on that point; because it was not said that it would be on the supplementary estimates.

Mr. Pickersgill: I did not say that.

Mr. Fleming (Eglinton): You have indicated, Mr. Speaker, that you are aware of the discussion which occurred last night. We are dealing here with a question as to the urgency of debate. May I point out to you that this matter has already been discussed in the house. The hon. member who has today moved the adjournment of the house to discuss this question has himself already discussed it in the debates of this house in the present session. He discussed it in the course of the throne speech debate. You will find

his remarks on this subject at pages 99 and 100 of *Hansard;* and so it cannot be said that this is something that now presents urgency of debate.

It is quite clear already from the attempts made last evening to embark on a wide discussion of this subject when an item in the supplementary estimates was before the committee of supply, that some endeavour is being made to refer to discussions which are known to have taken place recently. This house is already aware of the fact that the premier of Nova Scotia has met with representatives of the federal government and others interested in the situation that has been referred to.

I think there is one point that must be considered in this connection, and I say this with respect. We must consider whether, when negotiations are to the knowledge of the house being carried on and when a matter is being considered at the intergovernmental level, urgency of debate can be shown in a case where it is quite clear that debate will not assist in the negotiations that are now pending.

The house has been informed by the Prime Minister, in reply to a question asked on this subject last week that he, the Prime Minister, met with the premier of Nova Scotia and representatives of the miners of that province who are concerned; and as consideration of this matter is proceeding and as discussions are under way I would urge, Mr. Speaker, that that is an important circumstance indicating that not only is there no advantage in debate at this time, but debate will not assist in the progress of negotiations.

I refer, Mr. Speaker, to page 90 of Beauchesne's Parliamentary Rules and Forms, fourth edition, in which the definition of urgency is set forth. I quote:

> "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate", when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough and public interest demands that discussion takes place immediately.

It is not shown here, Mr. Speaker, that public interest demands that discussion take place immediately; indeed, Mr. Speaker, it may well be that the very opposite is the fact.

Now, as to early opportunity of debate, Mr. Speaker, it is within the knowledge of the house that there will be motions from time to time at the present session to resolve the house into committee of supply. On such an occasion any hon. member has the right to introduce anything that in his view is a grievance. We had such a supply motion just a week ago, and while I am not in a position to indicate the definite date on which the next motion to resolve the house into committee of supply will be called, in the ordinary course these motions are called from time to time throughout the session, and a full opportunity will be afforded on any such occasion for any hon. member to introduce this question.

Mr. Chevrier: That may be in two weeks.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I desire to rise at this time to speak on the matter which you have to decide, namely the matter of urgency. In so doing I think I have the right perhaps to say just one word in view of the statement just made by the Minister of Finance as to the relevancy of debate and opportunity. I know you have already read *Hansard* of yesterday, sir, but I wish to draw to your attention certain remarks on page 1124, when an endeavour was made to speak on this matter on two occasions. At the bottom of the first column on page 1124 and at the bottom of the second column on the same page you will see that the Minister of Finance himself was the one who drew matters to the attention of the committee in refusing hon. members an opportunity to discuss it.

Mr. Speaker: As I have already observed, I am aware of what took place yesterday.

Mr. Winch: In view of the statement which the Minister of Finance was allowed to make, sir, I think I have the right to draw attention to the fact that he did not know what he was talking about.

On the question of urgency, sir, on the speech from the throne an endeavour was made to bring this matter to your attention and to the attention of the house by the Nova Scotia members interested, namely the hon. member for Pictou (Mr. MacEwan), the hon. member for Cape Breton North and Victoria (Mr. Muir) and the hon. member for Cumberland (Mr. Coates). They have not yet had an opportunity to discuss this matter, although they endeavoured to do so at that time. They were denied that right, and since that time 4,000 miners in their province had been laid off work. In addition to the fact that 4,000 have since been laid off in the coal mining industry, we have, as we had yesterday, a supplementary estimate of the Minister of Finance for the sum of $630,000.

I say, sir, that the laying off of 4,000 miners in one province alone is definitely a matter of urgency not only to our national economy but in particular to the Conservative members from that province, who should have this opportunity to discuss a matter of such vital interest to their constituents and their province.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, it seems to me that the Minister of Finance has advanced a very

strange theory in opposition to the motion that the house adjourn to discuss this matter. The argument he put is that because this question is at present under discussion between this government and the provincial government—that of itself is a recognition of the urgency of the matter—we should not be permitted to discuss this matter in the house. I think that is an argument that certainly cannot be allowed to go unchallenged.

The criteria that have been laid down, Mr. Speaker, which should be satisfied before a matter of this kind can be considered as suitable for the adjournment of the house, have been clearly stated in Erskine May, fourteenth edition, page 344. First the matter must be definite. This certainly is definite. Then the matter must be urgent. We submit that this matter is urgent. Indeed, this matter was considered in the provincial house yesterday, and was considered so urgent as to persuade the premier of that province to invite a Nova Scotia coal miner to the floor of the legislature to address the house.

Then, Mr. Speaker, the minister advanced the argument that there has been an opportunity to discuss this matter on the throne speech debate. It should be pointed out that since that debate concluded there has been a deterioration in the coal mining situation in Nova Scotia, to the point where 4,000 miners have been laid off. Therefore as a result of that change in the situation, irrespective of the fact that it might have been discussed in an earlier debate, we submit that this question of urgency is a very real one. The third criterion is that the matter must be of public importance. Surely there can be no argument on that score. Finally, the matter must involve more than ordinary administration of the law.

I submit with great respect, Mr. Speaker, that these four criteria are met by this situation which has been brought to our attention by the hon. member for Gloucester and that therefore you would be justified in accepting this motion and giving us an opportunity to debate at this time, in a constructive helpful way, this very urgent and important situation.

Hon. E. D. Fulton (Minister of Justice): I should like to direct Your Honour's attention to a couple of points that should be considered in assessing whether or not this motion is in order, as well as in assessing the question of urgency. No one, of course, denies for a moment that the problem sought to be discussed here is one of great concern and having very great effect upon those who are suffering from it. However, it is my understanding, and indeed the reference in Beauchesne establishes it, that the problem to be discussed on an occasion such as this must be one of a national nature.

I refer you to subparagraph 5 of citation 100, at page 90 of Beauchesne's fourth edition, which points out that the adjournment of the house cannot be moved with reference to critical conditions generally prevailing in certain parts of the country. In making this argument I do not suggest for a moment the situation may not be critical; but it is a situation, so far as the coal mines are concerned, of local application and is therefore not one of those matters of sufficient importance under this rule to warrant the national House of Commons interrupting its debates on matters of national concern.

I refer also to the point which was made the last time a similar motion was sought to be advanced. This relates to whether the matter is under the administrative responsibility of the government. I refer to subparagraph 1 of citation 100, found at page 89 of Beauchesne's fourth edition. It says that the definite matter of urgent public importance for the discussion of which a member may ask leave to move the adjournment of the house must involve the administrative responsibility of the government. It is true that we have items in the estimates and provision is made, I believe under a statute, for subventions with regard to coal and the movement of coal, but I think it is a far cry from that to suggest that the operation of coal mines themselves is within the administrative responsibility of the government.

The purpose of the rule, it seems clear, is to enable the house to consider a matter of urgent significance about which the government can do something and on which it is the responsibility of the government under some accepted heading of responsibility, to take action. I submit that this particular subject does not fall within that category.

Then with respect to the matter of urgency, I may say that the urgency of the subject must be measured in terms of the urgency of other matters to be discussed. After all if the house is trying to assess the urgency of postponing the business that has been set down for that day, then the house is surely entitled to see how urgent is the matter sought to be raised as compared with the matters the house would otherwise be discussing. In that context, Mr. Speaker, I point out that what is down for discussion today is the supplementary estimates, including a number of items but in particular an item for $15 million in connection with the winter works program.

An hon. Member: That is passed.

Mr. Fulton: My hon. friend fails to appreciate the point. We have concluded the discussion of that item in the supplementary estimates but it has not been passed at all until the house concludes the discussion of these estimates and passes the appropriation bill based thereon. Until that is done, the government will not be in a position to discharge the responsibility which hon. members opposite seek to persuade the country they are so anxious to have us discharge. Embarking upon this discussion will not, in fact, assist this matter or any other matter relating to the problem of unemployment, but will in fact hinder it because it will hold up the passage of the appropriation bill. It is in that context that I say we must measure the urgency of the matter sought to be raised in comparison with the urgency of the matter that is set down for discussion.

Mr. Winch: That is silly; the work is already under way.

Mr. Fulton: Finally, I point out that the difficulties in the maritime coal fields were in existence at the time of the throne speech debate, and were discussed by the hon. member for Gloucester at pages 99 and 100 of *Hansard* during that debate. It is true there have been further developments, but the situation was in the making then and it was critical, as he pointed out.

My hon. friends had an opportunity of raising this matter on the last supply motion. They say now that it is critical, but they did not choose to discuss the problem at that time. There was a perfect opportunity, but no; they chose to bring forward another matter relating to dominion-provincial relations. Even when that was disposed of they had an opportunity of raising this matter, but none of them, as I recall it, regarded it as of sufficient importance to even warrant raising on the last supply motion, which was just last week. I feel that is a fairly clear indication of the real urgency they attach to this subject.

Mr. Pickersgill: I wonder if I may reply directly to the point made by the Minister of Justice.

Mr. Speaker: The hon. member for Cape Breton South.

Mr. Donald MacInnis (Cape Breton South): There is no one in the house, Mr. Speaker, more concerned with this problem of the cutback in the Nova Scotia coal industry than I am. I come from a constituency in which five of the seven larger producers are closed down. It disturbs me to sit here listening to members in the opposition state—

Some hon. Members: Order.

Mr. MacInnis: All right; I will get back to the urgency of this debate. As the member most vitally affected I do not consider the debate necessary at all.

An hon. Member: You will regret that.

Mr. MacInnis: Whether or not I will regret it will remain to be seen. The fact remains that I have a conviction and I stand up for it.

Mr. Speaker: Order. I know the hon. member does not intend to enter upon a debate, but he is tending in that direction. He is expressing his opinions on the matter. I am glad to have his opinions, but what I am concerned about is the question that has been discussed of whether we should interrupt our proceedings today to discuss this particular matter.

Mr. Winch: Don't you think you should discuss unemployment in your riding?

Mr. MacInnis: To get back to the urgency of debate, just recently I spent a week in my constituency, where this matter had been discussed at union, municipal and provincial levels. Following that further discussions were held in Ottawa, at which time the attitude adopted by the government last year was considered to be very favourable and was well accepted by the miners in my constituency—

Some hon. Members: Order.

Mr. MacInnis: —who are now depending on the committee which has been set up to study this matter.

Mr. Speaker: I think perhaps the remarks of the hon. member are not really relevant to the question I have to decide, much as what he is saying may be relevant to the issue that the house is asked to debate. I think I will hear the hon. member for Bonavista-Twillingate and then make my decision.

Some hon. Members: No, no.

Mr. Speaker: I have to say that what the hon. member for Cape Breton South is now discussing is not helping me in making my decision, and is more in the nature of debate. If he wants to discuss the problem of whether there has been sufficient opportunity this session to discuss this matter, and whether we should interrupt our proceedings now to discuss it, that is all right.

Mr. MacInnis: The fact remains that the miners of Nova Scotia have placed this matter before the federal government, and that the federal government now has a committee set up which is studying it. I do

not see that any good purpose would be served by the matter being discussed further at this time.

Mr. Pickersgill: Mr. Speaker, I want to say a word on the first point raised by the Minister of Justice, namely that this is a critical matter of a local nature only. The citation referred to by the Minister of Justice, if my memory serves me correctly, refers to a precedent in the year 1818 in the United Kingdom, a rather long time ago.

Mr. Fulton: No, no. If my hon. friend will look at it—

Mr. Pickersgill: I wish to direct Your Honour's attention to a precedent in the year 1957, when Your Honour was considering a similar motion moved by the hon. member for Essex East with relation to the closing down of two motor car factories and the possible closing down of a third motor car factory, all of them situated in the province of Ontario. This will, of course, be in Your Honour's memory; it occurred on December 2, 1957. I would imagine that, important as the motor car industry is to Ontario, the coal mining industry is equally important to Nova Scotia and that if one is national, as I maintain it is, the other is also national. For that reason, if the precedent set by Your Honour was a good one, as I believe it was, then the hon. member for Gloucester is on sound ground in following that precedent.

On the second point, that this matter does not come within the administrative jurisdiction of parliament, may I say that the hon. member for Gloucester is not suggesting the nationalization of the mines or anything having to do with property and civil rights. He is suggesting something that has historically been under the control of parliament, a matter that a special agency has been set up to deal with, namely the dominion coal board; a matter which has been dealt with by royal commissions appointed by federal governments and a matter, incidentally, for which members of the present government claimed to have a solution before they came into office. So it does seem to me that this argument falls to the ground.

On the question of previous opportunities, I think I indicated to Your Honour that it was our belief that we would have an opportunity when the supplementary estimates came up, and that we had deferred this matter until that time but then found that we did not have that opportunity. Of course it is within Your Honour's memory that the lay-offs took place subsequent to the debate on the address in reply to the speech from the throne. We also have not been told when the government next proposes to move a motion to go into supply. So there is no early prospect of a debate, except one, sir. I venture to suggest to the government that if they do not want to have the proceedings today interrupted there is one way in which that can be avoided. I am making this suggestion directly to the Prime Minister, if I may. I suggest that the estimates of the Department of Mines and Technical Surveys be withdrawn from the standing committee on mines, forests and waters, brought back to the house and called on Friday next. If the government is prepared to do that, then I am sure the hon. member for Gloucester would be quite happy not to proceed with this motion. Otherwise, sir, there does not seem to be any early opportunity to discuss this national matter.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am not going to put forward an argument with regard to the technical question, but I do want to answer the last suggestion of the hon. gentleman. Only two days ago, as you will recall, sir, I was condemned because I had said that if any unfairness took place I would see that it was rectified. My hon. friend now asks me to change an order of the house whereby this particular matter was sent to a committee, and to alter that order. That argument does not come very well from him.

Mr. Speaker: In dealing with this matter may I say at the outset that I do not accept the proposition that because it affects only the Nova Scotia coal industry it is therefore not a fit subject for a motion of this kind. Hon. members can set their minds at rest on that point. Before giving my view, may I recall that what we are asked to debate today is the crisis in the maritime coal industry which has occasioned mass lay-offs because of a steadily declining market for the basic industry of Nova Scotia. The subject really is the crisis in the maritime coal industry because of a steadily declining market.

There is no doubt that this is a very important matter, and I do not think anyone in the house has attempted to say anything different. It is an important matter, and it is particularly important to the people who are immediately affected. It perhaps is a part of the general important problem of unemployment. The difficulty I have had with this request is that it perhaps is a localized or specific aspect of the unemployment problem. If the subject were just unemployment generally I would refuse the motion without hesitation.

The question in my mind has been whether the situation here is of such a nature that it is different from the continuing problem. It has been suggested that because of certain

recent lay-offs there is something urgent, immediate and imminent about this matter which makes it different today from what it has been thus far during the session. I am not prepared to accept that view. I think what has happened recently, which has perhaps impelled the hon. member to attempt to bring this matter before the house, is the recent lay-offs; but as he phrased his motion it refers to the continually declining market and as such that is a matter which has been capable of discusion right from the first of the session. In fact it was discussed, as has been pointed out, in the debate on the address in reply to the speech from the throne, has been raised certainly half a dozen times to my knowledge on the orders of the day, and was discussed, I believe, in a limited way yesterday.

Therefore, though I do have some reservations about the soundness of my view, I am not prepared at the moment to decide that we should interrupt our proceedings to discuss this matter at this precise time.

MOTIONS FOR PAPERS

CESSATION OF NUCLEAR TESTS

Motion No. 43—**Mr. Argue:**

For a copy of all correspondence, reports, telegrams and other documents, exchanged between the federal government and any agency of the United Nations since June 1, 1956, regarding the cessation of nuclear tests.

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, all the papers which would fall within the terms of this motion are already public documents published by the United Nations in the documents of the general assembly, the first committee and the disarmament commission. In particular, the views of the Canadian government have been made known to the organs of the United Nations by means of statements in committees or other organs, and have been published in the records of their proceedings in the general context of disarmament discussions. Since these documents are already in the public domain and readily available from the usual sources, and since they are very voluminous, I wonder if the hon. member would find it satisfactory if instead of tabling the documents themselves, I were to table an index to them, facilitating ready reference to the passages of particular interest to him. Subject to this modification, I would have no objection to the adoption of this motion.

CESSATION OF NUCLEAR TESTS

Motion No. 44—**Mr. Argue:**

For a copy of all correspondence, reports, telegrams and other documents exchanged between the federal government and any other government since June 1, 1956, regarding the cessation of nuclear tests.

[Mr. Speaker.]

Hon. Sidney E. Smith (Secretary of State for External Affairs): I have discussed this matter with the hon. member and he has indicated his willingness to have this motion withdrawn.

Mr. Speaker: Has the hon. member leave to withdraw the motion?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

PRICING POLICY ON WHEAT, ATLANTIC PROVINCES

Motion No. 46—**Mr. Pickersgill:**

For a copy of the letter from the maritime transportation commission to the Minister of Trade and Commerce, dated February 7, 1959, regarding the pricing policy on wheat; and any other communications from persons or organizations in the Atlantic provinces to the minister or any other member of the government on this subject together with the replies to these communications.

Hon. Gordon Churchill (Minister of Trade and Commerce): This is satisfactory, subject to the customary reservations with regard to the consent of the provincial governments concerned.

Mr. Pickersgill: Mr. Speaker, I do not think the minister could have read the motion. It does not ask for anything from any provincial government.

Mr. Speaker: The reservation expressed only applies to provincial governments. If there are none, it will not be effective.

Motion agreed to.

NATIONAL DEFENCE

D.E.W. LINE—INQUIRY AS TO PROPORTION OF R.C.A.F. PERSONNEL

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the Minister of National Defence arising out of the answer he gave to an oral question a few moments ago. Could he tell the house what proportion of the D.E.W. line stations are now manned by R.C.A.F. officers? He gave a figure of eight officers now manning these stations.

Hon. G. R. Pearkes (Minister of National Defence): There are four main D.E.W. line operational stations. All four are under the control of an R.C.A.F. officer now, as from February 1. At each of those stations there are several officers subordinate to the one in charge. Surbordinate officers of the R.C.A.F. are now being trained in their duties, and as soon as training is completed they will take over from the officers of the United States air force who as their reliefs

are trained will return to the United States. There are less than 20 U.S.A.F. officers on the D.E.W. line today.

TRANSPORT

KETTLE VALLEY RAILWAY—REPORTED INADEQUATE PASSENGER SERVICE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I would like to ask a question of the Minister of Transport, who I hope will bear in mind the rule laid down by the Minister of Justice. Can the minister inform the house if he has had any discussions recently with Mr. Crump with respect to improving the passenger service facilities on the Kettle Valley Railway?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I have drawn that matter to the attention of the management of the Canadian Pacific Railway, but I have not yet had any word from them.

SPORTS

PAN-AMERICAN GAMES—INQUIRIES AS TO REQUESTS FOR FEDERAL ASSISTANCE

On the orders of the day:

Mr. John MacLean (Winnipeg North Centre): I would like to direct a question to the Minister of National Health and Welfare. Has the minister received any representations from the Winnipeg pan-American games committee or the city of Winnipeg with regard to financial assistance from the federal government for these games?

Hon. J. W. Monteith (Minister of National Health and Welfare): I should like to thank the hon. member for having given me notice of his intention to ask this question. I have not received any representations personally, and on checking with the officials of my department there is nothing in the department of that nature.

Mr. Gordon Chown (Winnipeg South): A supplementary question. Could I ask the same question of the Minister of Trade and Commerce, as to whether or not any representations have been made to him for financial assistance for the members of the Olympic and pan-American games committees?

Hon. Gordon Churchill (Minister of Trade and Commerce): No, Mr. Speaker, I have not received any such communication.

Mr. J. R. Taylor (Vancouver-Burrard): A supplementary question with respect to the pan-American games. I was wondering if the Minister of National Health and Welfare would inform the house whether the officials in Vancouver have asked for any federal assistance with respect to holding the pan-American games?

Mr. Speaker: I do not know when the games are to be held, but I doubt if this question is one of such urgency that it should not be placed on the order paper.

POWER

SAINT JOHN, N.B.—STATUS OF AGREEMENT RESPECTING THERMAL PLANT

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Minister of Northern Affairs and National Resources. In view of the reply received from the minister yesterday to the effect that the amount of power produced by the first two units in the Beechwood plant has been so large that the province of New Brunswick saved money by not going ahead with the original plan for the thermal plant at Saint John, should we now take it for granted that if the same conditions prevail in 1959 the construction of the East Saint John thermal plant will be further postponed?

Mr. Speaker: I think the hon. member is rather drawing on possibilities in the future. The question seems to be hypothetical.

Mr. Robichaud: A supplementary question. Could the hon. minister advise us why there is so much delay in signing an agreement with the province of New Brunswick?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I am not aware, Mr. Speaker, of any serious difficulty in the signing of the agreement with the province of New Brunswick. The general agreement is signed, and as each new section of the plan is brought into being, individual agreements will be signed with regard to it.

Mr. Robichaud: A supplementary question. Does the minister remember the statement made in this house last July to the effect that—

Some hon. Members: Order.

Mr. Speaker: Order. I am sure the hon. member does expect to start a debate.

TRADE

WEST INDIES—INQUIRY AS TO NEGOTIATION OF AGREEMENT

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I would like to direct a question to the Minister of Trade and Commerce. Would the minister advise the house whether or not the government is carrying on negotiations for a new trade agreement with the West Indies?

Inquiries of the Ministry

Hon. Gordon Churchill (Minister of Trade and Commerce): Not at the present moment, Mr. Speaker.

ATOMIC ENERGY

STRONTIUM 90—EFFECTS OF RADIOACTIVE FALL-OUT

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, on Friday the hon. member for Kootenay West asked me a question relating to the levels of strontium 90 in different parts of Canada. As I stated at that time, I have read the article referred to in his question, and I now feel that the best course is for me to reserve further comment for the present. As the member undoubtedly knows, the hon. member for Assiniboia has placed on the order paper several questions concerning radiation, and my departmental officials and I are now preparing appropriate replies. When these have been given they should be of interest and assistance to the hon. member for Kootenay West.

ADMINISTRATION OF JUSTICE

MANITOBA—APPOINTMENT TO COURT OF QUEEN'S BENCH

On the orders of the day:

Mr. John MacLean (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Justice. Can the minister tell the house if a decision has been reached with regard to filling the vacancy presently existing in the Manitoba court of Queen's bench?

Hon. E. D. Fulton (Minister of Justice): Yes, a decision has been made and an announcement should be forthcoming in the immediate future.

NEWFOUNDLAND—INQUIRY AS TO APPOINTMENT OF CHIEF JUSTICE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the minister whether any decision has yet been reached with regard to the vacancy in the Supreme court of Newfoundland?

Hon. E. D. Fulton (Minister of Justice): That is a repetition of the question the hon. gentleman addressed the other day to the Prime Minister in whose province the appointment of chief justice lies, and I am afraid I have nothing to add to what the Prime Minister said on that occasion.

[Mr. McIlraith.]

FINANCE

REQUEST FOR STATEMENT ON SHORT TERM BOND ISSUE

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Finance. Would the Minister of Finance make a statement to the house either today or in the near future concerning the most recent short term bond issue offered to the public, namely as to the amount, maturity dates, interest provisions and so on.

Some hon. Members: Order paper.

Mr. Speaker: I think the hon. member would do well to put that question on the order paper.

Mr. G. J. McIlraith (Ottawa West): On a point of order, Mr. Speaker, that is not a question which could go on the order paper, because the hon. member was requesting the Minister of Finance to make a statement about a government financing issue which is before the public. I do not know how one could ask, on the order paper, for a statement to be made to the house.

Hon. Donald M. Fleming (Minister of Finance): May I make it quite clear that I do not propose to commit the impropriety of accepting an invitation to make a statement about a public offering, when the books are to be opened on that offering at five o'clock this afternoon.

IMMIGRATION

STATEMENT ON DIRECT ENTRY OF EUROPEAN IMMIGRANTS—U.S. PROTESTS

On the orders of the day:

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, yesterday the hon. member for Port Arthur asked me a question with regard to direct transportation to Canada for European immigrants. At that time I told him that a meeting had been held with representatives of the transportation companies some time ago. On returning to my office I looked this up and found that the date was December 8.

At that time we were of the opinion that agreement had been reached. However, I am now informed that after these representatives had returned to the United States and discussed the matter with their colleagues, further questions arose and a further conference with the officials of my department was requested.

That conference took place last week, as the hon. member indicated, and the points

which were brought up were fully discussed. The position of the department was explained, and once more the representatives of the United States transportation companies returned to consult their colleagues in the United States. As far as I know there is no major point of disagreement. The matter is now being considered by the representatives of these companies in the United States.

SUPPLY

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

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

710. Payments in connection with the movements of coal under conditions prescribed by the governor in council—Further amount required, $630,000.

Mr. Robichaud: Before this vote is carried I should like a further explanation from the Minister of Mines and Technical Surveys arising out of the statement he made last evening in reply to a question by the hon. member for Timiskaming asking on what grades of coal these payments are made—whether they were made on all grades or on certain classes of coal. The minister replied, "Bituminous coal for power." A little later I asked him if the subsidy covered both domestic and industrial coal. I repeated the question, and the minister replied "Yes". I should like to know which it is.

Mr. Comtois: It may be there has been a misunderstanding. I understood from the question put by the hon. member for Timiskaming that he wanted to know if in the coal transshipped to Ontario markets, there was domestic and industrial coal. That was my answer. In fact there is a very small quantity of domestic coal from Nova Scotia sold to the Ontario market.

The Deputy Chairman: Shall item 710 carry?

Some hon. Members: Agreed.

Mr. Comtois: Perhaps I might also reply—

An hon. Member: Do not hold up your own estimates. They have gone through.

Mr. Comtois: All right. I was about to supply some information which had been requested by an hon. member. I do not want to hold them up. I do not want to put any B.T.U.'s into the committee this afternoon, because we had enough last night. If the hon. member for Timiskaming does not wish me to expand my answer to his question of yesterday I have no objection to resuming my seat, but if he wants more information—

Mr. Peters: I would certainly like to have it.

Mr. Comtois: Well, the money paid out in subvention assistance on the movement of coal is paid to the transportation agents. In the absence of regular shipping lines, the Dominion Coal Company charters vessels and is, in fact, the transportation agent for all the coal moving by water from Sydney to St. Lawrence ports.

The assistance on the movement of Nova Scotia coal in 1958 was paid to the Dominion Coal Company and their subsidiary, Old Sydney Collieries; the Canadian National Railway; the Canadian Pacific Railway; the Sydney and Louisburg Railway and the Cumberland Railway and Coal Company. Details cannot be made available before the end of the fiscal year.

Mr. Muir (Cape Breton North and Victoria): In regard to this matter I am not going to ask a question for the simple purpose of making political hay, as has been done here during the last day or so.

Mr. Robichaud: Oh, oh.

Mr. Muir (Cape Breton North and Victoria): My dear friend from Gloucester does not seem to like that.

The Deputy Chairman: Order.

Mr. Robichaud: You need more coal than hay in your constituency right now.

The Deputy Chairman: To what vote is the hon. member speaking?

Mr. Muir (Cape Breton North and Victoria): I have been trying to get your eye since the time the minister took his seat. I attempted to rise several times.

The Deputy Chairman: Vote No. 710 has been passed.

Mr. Pickersgill: Surely the hon. member can refer to it with consent.

The Deputy Chairman: Has the hon. member the consent of the committee to refer back to vote No. 710?

Some hon. Members: Agreed.

Mr. Muir (Cape Breton North and Victoria): I should like to thank the hon. member for Bonavista-Twillingate who, unlike his confreres, came to my aid.

Contrary to what was said by the hon. member for Vancouver East I took advantage of the opportunity provided by the throne speech debate to discuss the whole problem of coal subventions. I now have a question I should like to direct to the Minister of Finance or the Minister of Mines and Technical Surveys. How soon may we likely expect an announcement as a result of representations made by the delegation that

recently met with the Prime Minister and other members of the cabinet?

Mr. Robichaud: A very good question.

Mr. Winch: That question was ruled out of order.

The Deputy Chairman: The question is out of order. Shall vote 710 carry?

Some hon. Members: Carried.

Item agreed to.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

National Parks Branch—

711. National parks and historic sites services—construction or acquisition of buildings, works, land and equipment—further amount required, $2,850,000.

Mr. Benidickson: Mr. Chairman, hon. members will recognize that this item has reference to certain work to be conducted in our national parks. I should like to ask the Minister of Northern Affairs and National Resources for a little amplification of a statement he made in the house on February 4, 1959, with respect to employment techniques that were said to be unique so far as Riding Mountain national park is concerned. This question arises from certain publicity given this matter which appeared in Winnipeg newspapers.

I have here an article from the Winnipeg *Free Press* dated January 12, 1959, which bears a rather substantial and prominent headline reading, "I Hand Out the Jobs Says Minnedosa Tory." An article which appeared in the Winnipeg *Tribune* on January 14, bears this headline, "Three M.P.s Pick Needy for Park Project Jobs." There is also another article which appeared in the *Free Press*.

I should like to ask the minister for further details as to whether he can substantiate his assertion made on February 4 that he and his colleagues were simply continuing a practice that had been followed by the former hon. member for Marquette. As we all know, the gentleman to whom I have reference is the former minister of justice, Mr. Garson. On reading what the Minister of Northern Affairs and National Resources had to say the former hon. member for Marquette was interviewed by both the Winnipeg *Tribune* and the Winnipeg *Free Press*. I believe the committee would be interested in hearing the views of this former member. The following is an extract from an article which appeared in the *Tribune* of February 6:

> Former federal cabinet minister Stuart Garson broke the silence of political retirement Thursday to blast Conservative accusations that local Liberal M.P.s conducted an employment agency in Riding Mountain national park.
>
> This accusation is "so silly, so childish and so cheap," said Mr. Garson in a prepared statement.
>
> Resources Minister Alvin Hamilton said in the commons that the government had followed the practice of the Liberal administration in hiring temporary workers through local advisers. Hiring is now done by the national employment service.

In addition to that the Minister of Northern Affairs and National Resources was pretty vague in his statement. He referred to certain action taken by him in consultation with some of his colleagues and he used the phrase "last fall". I have indicated that certain publicity was given to this matter in the middle of January. I should like the minister to inform the committee what advisers were used by the former member for Marquette in this respect. I should also like him to inform us as to whether there was any release on the part of his colleagues, the hon. members for Marquette, Brandon-Souris and Dauphin—as he said, "last fall"—or whether they actually post-dated the publicity with respect to this matter which I indicated appeared about the middle of January.

I believe the minister was extremely broad and definite in the sweeping accusations he made. Because it involves a former hon. member of this house I feel it is quite worthy of the attention of the public accounts committee. I wonder if the minister would indicate if he would approve of having the park superintendent and if necessary the former hon. member for Marquette or any of his advisers called before the committee to give evidence in connection with the statement made in this house on February 4 of this year.

In addition to that I should very much like to know what the minister meant when he indicated that now there is a certain regularization of procedures in collaboration with the employment service. Does this mean that these agents of the present hon. member for Marquette are still functioning in effect and that the employment agency is simply advised of what he has done? Is that what is meant by "collaboration with the employment service?" I wonder if the minister would give us more detail with respect to this matter before we permit the item to pass.

Mr. Fisher: Mr. Chairman, I intended to pursue this matter too, because it was my question which led to the statement about which the hon. member for Kenora-Rainy River spoke. I share some of his views in this matter but I wish to approach it from a different point of view.

The minister will recall that when the question of national parks was under discussion last year he became somewhat rattled under certain pressures from the opposition with regard to the principle involved in

hiring people for jobs of this nature in national parks. I want to ask him if he honestly believes, no matter how highly he may rate the fairness of the hon. members to whom reference has been made—and certainly the hon. member for Brandon in my opinion is as fair as any hon. member in this committee—that it is possible for them to be completely objective in this respect without regard to party affiliation. The fact remains the hon. member for Brandon-Souris is a politician and a Conservative one at that. If he is able to act fairly irrespective of party affiliation I feel he is perhaps more able than any person in this committee. I know from the experience in my riding with regard to provincial matters where this sort of thing goes on you very often see that the people who are slipped into these jobs are required to take out membership in the Conservative party. I am not suggesting that this is the case at all but one is bound to have such suspicions until the whole thing is regularized as the minister suggested was being done.

Some hon. Members: Oh, oh.

Mr. Fisher: I notice that some hon. members jeer at this but it is an unusual arrangement and I feel we need a more adequate explanation than this. When we have a national employment service I fail to see why it should not be used in this regard. I do not feel that a member of parliament is more competent to select people for jobs than the employment service. That is the function of the employment service and is not a duty of a member of parliament. I was dissatisfied with the statement at the time the minister made it and I would certainly welcome additional information about the procedure. I agree with the suggestion made by the hon. member for Kenora-Rainy River that the imputation made with regard to the reputation of a former member might well be considered in the public accounts committee.

Mr. Hamilton (Qu'Appelle): I was rather surprised at the question asked by the hon. member for Kenora-Rainy River and originally asked during this session by the hon. member for Bonavista-Twillingate regarding the employment on winter works that we now have under discussion. I can understand the confusion of the hon. member for Port Arthur who has to rely on that very fine newspaper, the *Free Press,* for his information, but, in the case of the two members directly opposite me I thought I had squelched this matter once and for all last session, on a similar vote in the main estimates by saying very bluntly and sincerely that this party had lifted the whole question of employment in the parks to a new high level which I thought the hon. member for Bonavista-Twillingate wanted. I pointed out that all they could point to among the thousands of employees who were working on this program, or working permanently on the winter works program, were three cases and two more at the last part of the last session and I thought the most effective answer I could give was to repeat at that time what I said at the last session, that even if there were five—and I do not know of five—dismissed since this government took over, all I can say is when you compare that figure with the literally hundreds, indeed the thousands who were dismissed in 1935—and some of us here have personal knowledge of that—and the complete wholesale eliminations, well, this government has lifted employment in the parks to a new high level.

I do not want the committee to take my word for it. I have said in the house that I have asked religious groups and all those who know the needs of the most needy families in the communities—because this is work that has been pushed hard by our department to try to give help where it is most needed—to inform us on the matter. What I would like to do is to settle this once and for all, and I think that is what will happen when I give the source of these letters. These are neutral people, people who are really interested in employing people who need help. This is a letter dated December 27, 1958, and I shall make it available to the house. It is addressed to the hon. member for Cape Breton North and Victoria and reads as follows:

Wreck Cove, Nova Scotia,
December 27, 1958.

Mr. Robert Muir, M.P.,
Sydney Mines, Nova Scotia.

Dear Sir:

The work at the shore at Wreck Cove, which has been under way since November 10 is just about completed.

If there had been any discrimination in connection with the employing of men on this project, you would have been advised of same before now, so since there was none I think it only fair to advise you accordingly.

This work under the foremanship of Alex Smith has been carried on in a very fine manner. All the available men in a given area were employed on this project without any consideration as to political affiliations.

We want you to know, as well as Mr. Smith, that we deeply appreciate the fairness shown in employing men at Wreck Cove.

Wishing you the compliments of the season, I am

Yours truly,

NORMAN MacASKILL,
President,
Victoria County Liberal Association

This is another letter addressed to the same member of parliament and is from the parish priest of St. Joseph's parish. The letter reads:

St. Joseph's Parish,
Dingwall, Nova Scotia,
January 2, 1959.

Mr. Robert Muir, M.P.,
Cape Breton North and Victoria,
Sydney Mines, Nova Scotia.

Dear Bob:

Just a note to thank you for your successful efforts on behalf of Walter Asaff. He is now at work thanks to you.

I do hope that 1959 will bring you happiness and success.

Sincerely yours,

Frank Morley.

Let us go back to the Riding Mountain national park because the story of the Riding Mountain national park is a perfect example of one type of press that we have to deal with in western Canada. It is not new to us.

Mr. Pickersgill: The Winnipeg *Tribune*.

Mr. Hamilton (Qu'Appelle): It is not new to us to have a group of people as in the city of Brandon deliberately set out to build up a news story, as they did, and to get it published in the newspapers and over the radio in Winnipeg, with the sole purpose of trying to smear a government which has made an effort to increase the standards of employment in the parks. With that information I think the house can take for granted the opinion which we hold of this group of men who deliberately set out to do such a thing.

Mr. Pearson: May I ask the minister a question? Can he tell the committee who composes the group of men he talks about?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, the hon. member for Brandon-Souris is not in his seat. He knows the story and when the appropriate time comes possibly I will ask him to tell the house just exactly who were in that party, who they are and what positions they hold in the Liberal party.

Mr. Pearson: Mr. Chairman, the minister has made a very serious charge against a group of men in Brandon. I am asking whether he will substantiate that charge and name the people he is talking about.

Mr. Hamilton (Qu'Appelle): I will deal with the former minister of justice, the former member for Marquette, right now.

Mr. Pickersgill: Put up.

Mr. Hamilton (Qu'Appelle): Let me finish my statement. This question was asked me today by the hon. member for Kenora-Rainy River and referred to the statement by the ex-minister of justice, Hon. Mr. Garson, who said that he did not know there was anything going on. I am, of course, paraphrasing what the hon. member read.

Mr. Benidickson: I did not say that at all. I asked the minister who were the advisers he mentioned in his statement dated February 4?

Mr. Hamilton (Qu'Appelle): You are going to find out.

Mr. Benidickson: Good.

Mr. Hamilton (Qu'Appelle): When I heard of this whole story in the press I knew that negotiations had been going on to set up the best way to carry out employment in those parks and particularly in Riding Mountain national park. This press publicity came to my attention and I immediately inquired as to what was the practice in Riding Mountain national park in the time since we had taken office and prior to that, and the information came from my department that the system in use in Riding Mountain national park in the first year after we came into power was the same as had been used by the previous administration, and this system was well known to everybody in that whole area. I was told that the people in that area of the Riding Mountain national park who wanted employment reported to people who they were told to see, and those people gave a list to the superintendent and this superintendent, as the opportunities became available, employed those people.

My point is this. When I found out that this practice was being followed in my department and this group of men from the ridings around were called in I stated very flatly that the policy of the government on this type of thing was that the national employment service should do the same thing for Riding Mountain national park as it did for the other parks and they agreed that if any person approached them or any of their supporters or organizers or anything of the sort, that these men were to be sent to the national employment service and that was the end of it. I read that statement in the house and I have my statement here.

As for the former minister of justice saying that he did not have anything to do with it, that only indicates to me of how necessary it was to defeat the previous administration. When ministers of the crown did not even know what was going on in their own ridings and left this to an echelon of people more powerful than the member himself to decide who got jobs, then it was about time we cleaned house.

The hon. member for Port Arthur raised the question of Jasper park and I am going to be quite candid. I thought I was speaking on winter works today, but this has no reference to winter works and I do not know whether the chairman will rule me out of order or not. Since he raised it, I should like to suggest I was not rattled. I knew precisely every step that happened last year. If you would go to Jasper park, as I did this last summer and inquire personally into this thing to verify the representations that had been made to me, you would find out what I found. My only regret was that they even went through this courtesy of doing what they did. They should have been dismissed and the reasons stated publicly.

The hon. member for Port Arthur spoke kindly of the hon. member for Brandon-Souris. I can join in what he has said because no member of parliament on either side of this house could be more fair than the hon. member for Brandon-Souris has been. All the members around that district have tried to do the best they could in connection with this work. I can give the house the assurance that these letters that you have heard me read here today are verified by the representations of the people who are working on these jobs and who have never even seen a member of parliament. They have obtained their jobs because they were unemployed, and they are very grateful for them. The only complaint I have heard is from a man who hires people in that district. He says it is very hard for him to get people because they all want to work for us in the parks. That is the only complaint I have heard. I was quite honest when I told the hon. member for Bonavista-Twillingate that I had not heard any complaint. I can honestly say that not a single one has come to me. I have tried my best to make this employment program do what it was designed to do.

I should like to come right back to the vote and say one word of explanation on this whole program. It will have become clear to discerning members of the house that the government's winter works program is divided into three parts. The first part concerns works done by the federal government itself through the Minister of Public Works, the Minister of Transport and other departments, including my own. Therefore, this item No. 711 is an example of the type of thing that the federal government is doing all by itself. Now, the total of all these things comes to approximately $750 million. Our particular item here looks very small in relation to the whole total, but I shall add some things to it in a moment.

The second part of the program is a co-operative program between the federal government and the provincial government, carried out by my department. This co-operative program is composed of the camp grounds and picnic site program; the forest access roads program and, to a limited degree, the trans-Canada picnic grounds program. These two items that are being used are based on 50 per cent labour, in which all the provinces with one exception are co-operating.

The third part of the program is the municipal works program which is handled by the Minister of Labour, under which we deal through the provinces and the municipalities and where the people who have a local knowledge can recommend the types of work needed in those areas. It is not necessary for the federal government to have a tremendous staff to handle the works programs in these areas. My problem is having to deal with a permanent staff and when we put on a selective winter works program, trying to aim at the people who need it the most, I have to do it with the people who are normally employed. It depends on this selective idea, and I think it can be worked out with the local people.

This vote No. 711 deals with the work in the national parks and historic sites and totals $2.8 million. At this time, I should like to point out that in the main estimates this vote amounted to $14,399,925. Out of the main estimates we were able to provide $300,000 for a winter works program. In addition, last session we put through a supplementary estimate for $500,000 for this item. Therefore when we total up the amount from the main estimate, the supplementary estimate and this further supplementary estimate, we find that for this one project for winter work we have a total vote of approximately $3.6 million.

I should like to give the house the figures on employment, the actual number of people working on this program. If I may, I should like to give the figures for both votes 711 and 712, the program that affects my department, and then it will save me repeating it. I should have mentioned, in connection with the co-operative program, the roads to resources program which is in full swing. This is another type of co-operative work with the provinces.

In so far as the number employed is concerned, these are the figures for the first week in January, which are the latest I have available. The number of men employed on the roads to resources program is 688; the number on camp grounds and picnic program total 1,122; on the forest access roads program, 1,366; on the construction program in the territories, 1,492; and the number employed in the parks under this vote we are now discussing is 1,700. This makes a grand total of

6,368 in the first week of January. I recognize that this, by comparison with the tremendous number employed in work for other departments may seem small, but I do suggest that it has been a substantial effort to try to meet seasonal unemployment where we could. I could give a further breakdown of these figures, but unless I am asked I will not hold up the committee by giving such a breakdown.

Hon. members may wish to ask me for a breakdown by provinces of the actual figures. I think I will allow the committee to decide whether or not they want that information. There is one thing more, Mr. Chairman; may I go on and make an explanation covering the next vote?

Mr. Pickersgill: I think we should deal with these items one at a time.

Mr. Benidickson: I have seldom seen a minister so anxious to avoid a very simple and direct question. I asked him if he would indicate who these advisers were to whom he referred in his statement on February 4. I asked him, in addition, whether or not instead of smearing people in Brandon, he would name them. I can only judge that he must be referring to the winter employment committee in Brandon. The winter employment committee of Brandon, so far as I know, is a non-partisan organization. Apparently they felt it was an undesirable thing to have people engaged on the basis of political patronage through the campaign manager of the hon. member for Marquette rather than on the basis of need. Evidently they issued a statement to the effect that the only way they could see to be certain that the money being spent at the park to relieve unemployment was being used effectively was to use the unemployment insurance offices.

I asked the minister another very direct question. I have the utmost respect for the hon. member for Brandon-Souris, who is not in the house to speak for himself, but the minister brought him in on February 4 by referring to him. Now, I ask him very simply, and very definitely, did the hon. member for Brandon-Souris make these representations to the minister acquiescing in a new scheme before or after this publicity in January or the complaint of the Brandon winter employment committee in December?

Mr. Hamilton (Qu'Appelle): I can only refer you to my statement made here on February 4 in which I said, as recorded on page 673 of *Hansard* for that date:

> However, this fall, in view of the vigorous winter work campaign, my office contacted the members for Marquette, Brandon-Souris and Dauphin, suggesting that every effort should be made to ensure that the most needy cases should be given first consideration in the national park area, irrespective of party affiliations.

The hon. member talked about news stories. In glancing through some of them now I see that they are all dated in January, January 12, January 14, and so on. When I say that I met these people in the fall I do not mean January of 1959. I met them in the fall but I would have to go back and examine my records to see when the meeting took place. I do not have the information here.

Mr. Benidickson: The article from which I have already quoted went on to say that at the December meeting of the Brandon winter employment committee the hon. member for Brandon-Souris was present and said that he was aware of this situation and of this type of hiring at Riding Mountain national park and promised the committee that he would call a meeting on his return to Ottawa to look into the matter. The minister should recall this particular circumstance. When he gives the committee the impression that this was done, to use his words, last fall, one would think in terms of September or October and that is a great deal different from some action taken by his colleagues in Manitoba after public complaint had been made.

The other question is still unanswered. Is this group in Brandon, which the minister seemingly was smearing, the winter employment committee to which reference has been made?

Mr. Hamilton (Qu'Appelle): I have seen the names but I cannot recall them. The information is in the possession of the hon. member for Brandon-Souris. He tells me that he is prepared to stand up in the house and, if it is required, bring the whole matter to the attention of the house. I am going to ask him to do that in view of the statements made and questions asked by the hon. member for Kenora-Rainy River.

Mr. Pearson: The minister made a very harsh accusation against a body of citizens in Brandon. Surely he should tell us to what body he is referring. In justice to the citizens winter employment committee of Brandon he should tell us whether that is or is not the body about which he was talking.

Mr. Hamilton (Qu'Appelle): I am almost positive that it is not the body known as the winter employment committee.

Mr. Denis: In the details of the item on page 8 there is an amount of $157,000 for historic sites and an amount of $1,113,500 for national parks trunk highways. Can the minister say what portion of these amounts is being or will be spent in the province of Quebec? He has also talked about a co-operative program

between the federal government and the provinces. Will the minister tell the committee what co-operative program exists now between the province of Quebec and the federal government? Will he also tell the committee how many people in Quebec have been employed by virtue of the co-operative program he has mentioned?

Mr. Hamilton (Qu'Appelle): The answer on this point is very clear. There are no co-operative road agreements with the province of Quebec.

Mr. Fisher: Mr. Chairman, I should like to return to my point and tell the minister that I read more than the *Free Press*. I will agree with him that perhaps it has a very sleazy bias but I try to counter that by reading the reactionary pages of the Winnipeg *Tribune*. I want to come back to the statement of the minister that he sent a letter to these three members of parliament asking them to suggest needy cases and saying to them, "Now, don't pay any attention to party affiliation". I understood him to mean that what he is suggesting is a much better way of doing it than was the case under the old regime.

Mr. Bell (Saint John-Albert): Hear, hear.

Mr. Fisher: One of the maritime members says "hear, hear." Those of us who have a certain detachment and who have never had political patronage at our disposal have noticed that there has been an undercurrent of feeling among some government members that there should be more patronage handed out. Those of us who are detached to a certain extent have rather admired the stand, especially of the Minister of Public Works who, we understand, has taken a pretty firm line against this kind of hand-out. I understand he has done so much to the discomfort of some of the government members but we admire him for it.

But here we have the Minister of Northern Affairs and National Resources, and I do not doubt his idealism any more than that of the Minister of Public Works, asking members of parliament to suggest people for jobs. Did he do this because the national employment service could not do the job? Does he not think it would be much better in every case where government jobs are involved that the national employment service or the civil service commission should handle the matter and not members of parliament? That is what I want to get at. I want to secure acceptance of that position and perhaps recognition that, as far as the parks are concerned, his department is working towards that end.

One suggestion which I know has been forwarded to his department is that a federal park be established in the Mount McKay region in the vicinity of Fort William. I am sure that problems would descend upon any member of parliament from that area if this policy were extended in this way. I can see people knocking on the doors and it becoming something that could impinge upon and get in the way of duties of the members of parliament. I think there is a principle involved and I should like a clearer statement of the factors set out in the letter that went to these members and also the role of the national employment service. I should like to say that I do not think it is a question of our swallowing holus-bolus any line that may come out of Brandon or appear in the pages of the Winnipeg *Free Press*.

Mr. Hamilton (Qu'Appelle): I think the hon. member has asked a fair question and I am sorry that I have not been able to make my position clear. In areas where there are national employment offices close by what I like the department to do when they need men for these jobs is to go to the national employment offices and the superintendent will hire the men. There has been no trouble in the great majority of the parks, but there are certain parks a long way removed from the national employment offices and we do have a policy of employing men who live close to the parks. This applies particularly in the case of Terra Nova park in Newfoundland and the park in Cape Breton. In those districts we have asked people of varying qualifications, ministers of churches, parish priests and so on, to bring to our attention needy people in order to put them to work. We have considered other things such as rotation to make the work go farther and so on. Generally speaking, there has been a pretty fair effort made to move in that direction.

I was quite surprised when I read this material in the *Tribune* and *Free Press* because I do know that we had a discussion in the fall—I cannot give the date without checking my notes—at which the question was raised of whether farmers in the vicinity of Riding Mountain park should be included in the national employment service list. I know that I approved the idea of hiring these farmers if they could be recommended. That is about all I can say. To my knowledge there have been no complaints from the western parks. There were some complaints last year, as the hon. member for Bonavista-Twillingate knows, with regard to eastern parks, but I think that on the whole the administration has been such as to be relatively free of complaints. I think this has been a big help to members of parliament of all parties in that they have been able to get away from hiring on a strictly party basis. It has taken

the pressure off them and it makes my relationship with my parks people that much better. I do not know what else I can add.

Mr. Pickersgill: Mr. Chairman, since the minister has frequently made reference to me and since he made reference to the answer he gave me on February 4, I want to make one or two observations which I do not think will be very controversial. I did think that the minister was a little less than fair in the statement he made on February 4 in answer to my first question when he said, as found on page 682 of *Hansard*:

> I would like to thank the hon. member for making representations to me to see that certain people he knows got employment there.

I cannot help but feel that the minister was perhaps not being his usual objective self when he made that statement. The minister knows that he had precisely one letter from me about an individual. His name was Charles Pelley, and I have never seen him in my life to my knowledge, as I said in the letter. He was a veteran from the navy who had heard that there were going to be boats used in connection with the park, and was rather interested in finding out if he could get employment. I sent a letter to the minister about that. As I say, to this day, if I have seen Mr. Pelley I did not know I had seen him.

I have on several occasions written to the minister about the undertaking given by the St. Laurent government, and repeated by the minister in this house, that preference in employment would be given in the Terra Nova national park to those persons who, before the park was established, made their living either by cutting timber in the park or working in sawmills which used the timber which was cut in the park. It did come to my attention that there was a considerable number of these people in Happy Adventure, in Canning's Cove, and in Charlottetown, in particular, who had made their living that way and had great difficulty in getting employment in the park.

I know that the minister has not unlimited opportunities for employment in the park, and I do not think the minister can say I have been in the slightest degree unreasonable about it; but I would submit that that undertaking given by both governments should be vigorously carried out. I wrote to the minister and gave him the name of the principal timber operator in each of these three places. I said that if there was any difficulty about finding out which people did in fact make their living in that way in the park, these would be the people who would most likely have the local knowledge.

[Mr. Hamilton (Qu'Appelle).]

I agree with what the minister said just now about the unsuitability of using the employment service as far as Terra Nova national park is concerned, because the nearest employment office is either at St. John's or Grand Falls, in both cases a very considerable distance away from the park. If the employment service were used, particularly this winter when, as all hon. members know, there is so much unemployment in Newfoundland, and when so many people who are unemployed no longer have stamps, I think it would be found that the people who need the work most would not be registered in the employment office at all, and would therefore be overlooked. If one went to another agency it would be better to go to the public assistance or welfare officers, because they are the ones who know the cases of greatest need. I suggest that there is an express obligation, in the case of the Terra Nova national park, to carry out this policy of giving a livelihood first to the people whose livelihood was taken away by the establishment of the park. I believe that the minister and his officials have been trying to do that: I do not think it has always been done. Since the minister, in his reply to the hon. member for Port Arthur, did say that in cases like the Terra Nova national park advice was sought from other quarters—I must say I do not expect the minister to seek my advice, and I do not ask him to; I am realistic about these things—I would be very interested to know whose advice the minister does seek.

Mr. Hamilton (Qu'Appelle): I think the hon. member knows that I answered that question last session. The gentleman I referred to in that answer had explicit instructions to consider the towns close by. Twenty-five persons from the town of Charlottetown, which the hon. member mentioned, have been employed, and we extended the season for cutting timber. But as the hon. member knows, we have had a terrific time trying to keep people in Newfoundland employed this winter. The letter he sent me was sent on, the same as any other letter is; and I understand that one of the men he has never seen, I presume in Cape Breton, is now working, so his representations have the same effect as any others.

Mr. Pickersgill: The man I referred to whom I had never seen was from Newfoundland. I do not think I have ever written to the minister about Cape Breton. I did raise a question in the house about a letter I had received from somebody whom I had never seen before; but I did not write to the minister about any place except Terra Nova.

Mr. Hamilton (Qu'Appelle): I think that clears up the matter. When the hon. member raised last year in the house these names he said he had not seen them and did not know the person who had written. But I did inquire into it, and I see one of those persons has a job now. I am simply pointing out that representations made by the hon. member are getting back down along the line. So far there have been no complaints, and I hope it will continue that way.

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, since my constituency has been mentioned, Cape Breton North and Victoria, with regard to the hiring practices in Cape Breton island park, I would like to add a few words of my own. When this started off after the June election, I personally felt that there should be a change in the practice which had gone on in the past. That was that there were several local Liberal henchmen, shall I say, in each area who controlled hiring, and I am sure the Leader of the Opposition, whom I know to be a very fair man, would not agree if he knew some of the things which did go on in that area. The Leader of the Opposition smiles but I am really sincere in this, and I am being as honest as I can about it.

I have on different occasions contacted different members of the clergy of the two great religious bodies in regard to people who needed employment. Some may think that is a rather strange thing to do. I do not think it is. I thought is was fair, and the clergy are usually non-partisan. In a rural area they usually know who is hungry and who needs work. That is one of the reasons I made the approach. I have also approached others in the area with regard to hiring, no matter who they were, and I have tried to do the best I could. I have evidence of that and can prove it. This meets with displeasure, I may say, even among some of my own friends. I am not trying to put a halo over my head, but something had to be done in that area. It has meant a lot of extra work for me trying to help out in this situation. I have approached the minister on seven or eight occasions with regard to a rotation of employment.

This has always been an area which has been depressed. Even in the so-called great and glorious years of the Liberal regime this area was always depressed. There was a little fishing and the park, and that is all. I have not been too successful with the minister on the question of rotation, and I would like to get after him again about it, because I think it does some good in a small way. He has agreed to a certain amount, but I think the people in the area should get a little fairer share of what work is available in an area where employment possibilities are very, very limited. That is all I have to say at the moment.

Mr. Pickersgill: Mr. Chairman, I wonder if I could say a word or two about what has been said by the hon. member for Cape Breton North and Victoria. If I could persuade the minister to do what the hon. member has done, namely to get the advice of the clergy in the area around the Terra Nova national park, instead of the particular adviser whom he mentioned last year who is not very clerical, I think there would be a great deal more satisfaction in the community with the minister and with everyone concerned.

Mr. Fisher: I wonder if we could have a little more explanation from the hon. member for Bonavista-Twillingate about what he means by "realistic". We have very recently had an example in Newfoundland of realism, and I want to know what the hon. member means when he says he is realistic about these things. Does he mean that if he is a member of a government returned to power we will have a return to the kind of patronage we have heard of today?

Mr. Pickersgill: I am sure this is completely out of order, but I would love to reply to the hon. member for Port Arthur. With regard to the Terra Nova national park, so far as I know nobody was ever asked before he received employment there anything about his political affiliations while the Liberals were in office.

Mr. Bell (Saint John-Albert): I would point out that the hon. member for Bonavista-Twillingate admitted a few moments ago that he suggested names of people he did not even know for employment in the park.

Mr. Pickersgill: Exactly.

The Chairman: Order. We are discussing national parks and historic sites, not the question of patronage. All further comments on patronage will be ruled out of order.

Mr. Carter: The minister referred sometime ago to a table which gives a breakdown as between the provinces of the total amount expended and the number of people employed. I wonder if the committee would consent to the inclusion of this document in today's *Hansard*. This would avoid the minister having to take the time of the committee by having to read it into the record.

Mr. Hamilton (Qu'Appelle): I am sorry, but I was interrupted. What was the request?

The Chairman: Would the hon. member mind repeating his remarks?

Mr. Carter: Earlier today the minister referred to a table which he said gave a breakdown by provinces of the amount expended and the total number of people employed on the various projects. He said he did not wish to read it into the record because it would take so much time. The question I asked was whether it would be possible to have this table included in today's *Hansard* as part of the proceedings?

Mr. Hamilton (Qu'Appelle): I could do that if I were allowed a little time to have copies made.

Mr. Pickersgill: Agreed.

Mr. Hamilton (Qu'Appelle): The table follows:

Department of Northern Affairs and National Resources Winter Works Program

A—Federal program

(1)—National Parks Branch:

Province	Estimated Expenditure	Number Employed January, 1959
British Columbia ..	308,500	189
Alberta	1,257,500	811
Saskatchewan	255,000	127
Manitoba	387,000	170
Quebec	40,000	25
New Brunswick	128,000	60
Nova Scotia	326,500	64
Prince Edward Island	92,500	213
Newfoundland	55,000	56
	$2,850,000	1,715

(2)—Northern Administration Branch:

Northwest Territories and Yukon Territory	$ 750,000	655
	$3,600,000	2,370

Note:

(1) The program of all federal departments in the Northwest Territories and Yukon provided employment for 1,492 in January.

(2) The national parks are carrying out additional work to the above from funds previously voted by parliament, providing employment for an additional 300 men. The program in the Northwest Territories and Yukon is being paid for from funds already provided by parliament. The $2,850,000 estimated expenditure for national parks works set out above, covers the cost of the program from November 1, 1958 to March 31, 1959.

While I am on my feet, I might say this: the hon. member for St. Denis asked me a moment ago if any money had gone into Quebec. There is no co-operative road program with the province of Quebec but direct contributions are made to the upkeep of historic sites, and of the total of $157,000 which was spent across Canada on historic sites $40,000 went into Quebec.

[Mr. Hamilton (Qu'Appelle).]

Mr. Leduc: Could the minister inform us of the reason why the province of Quebec has not taken advantage of this grant from the federal government?

Mr. Hamilton (Qu'Appelle): I wonder if the hon. member would take that question to the people in Quebec. I cannot speak for them.

Item agreed to.

FORESTRY BRANCH

Forestry operations division—

712. To provide for contributions to the provinces pursuant to agreements entered into or to be entered into, with the approval of the governor in council, by Canada with the provinces, of amounts equal to one-half of the amounts confirmed by the provinces as having been spent by them in establishing forest access roads and trails for the attainment of adequate fire protection as well as other aspects of forest management—further amount required, $1,682,000.

Mr. Herridge: Mr. Chairman, I have sat very quietly here for the greater part of yesterday and today but I cannot allow this item to go by without saying a word or two with regard to it because I am a member of a group which is interested not in patronage of human beings but in the proper kind of patronage applied to the forest growth of Canada.

The Chairman: Is the hon. member speaking on item 712?

Mr. Herridge: I thought my remarks would indicate that I was. I am one who has lived in the forest all my life and I am particularly interested in these matters. We in this group have no hesitation about supporting this item; our only criticism is that it should be very much larger. We shall have more to say when the main estimates come up for discussion later, but, as I indicated, I cannot refrain from saying a few words at this time.

There is a general feeling in the province of British Columbia, not only among those engaged in the forest industry but among the people generally who realize the extent of the forest wealth we have, and the great need to protect it, that the federal government has not accepted to the full its responsibility with respect to providing funds for building access trails and providing fire fighting equipment. This opinion is indicated in an editorial article recently published in the Vancouver *Province* which, as hon. members know, is a paper which generally supports this government. This editorial states that the present contribution by the federal government under such items as we are now discussing is a disgracefully low contribution toward the protection of British Columbia forests. I am sure the minister agrees

with this statement in principle and I am sure he will welcome any support he can get here in the house as an indication of the very strong feeling which exists on this question not only in British Columbia but in other parts of Canada.

Last year we had an unusually serious forest fire situation. I understand that about $10 million in stumpage value was lost in British Columbia alone, and this is only the minor aspect of the total loss. There is also the loss in uncommercial growth, the loss of flood protection which forests provide and the loss of the beneficial effect which forests have on climate, to say nothing of the destruction of wild life and the loss of natural beauty. In addition, if my information is correct, there was expended a sum approaching $10 million in all by the government of British Columbia and by the industry concerned in fighting fires during the fire season of 1958. This is in addition to the other losses I have already mentioned, and this is the amount which has been spent in a single season.

I do urge the government to realize that it obtains a tremendous revenue from the forest industry of British Columbia. The government has, in fact, an important stake in the forest industry of the province from which I come, because of the taxes which are paid by the corporations and by the employees concerned. Even from a commonsense point of view, in order to protect this investment the government would be well advised to greatly increase the grants made toward forest protection in the provinces. Before concluding I should like to ask the minister if he has received representations in recent months from organizations or persons interested in seeking an increase in these grants.

Mr. Hamilton (Qu'Appelle): With regard to the observations made by the hon. member for Kootenay West, may I say that I do not think there is any Canadian who recognizes the importance of the woods industry to Canada who would not like to see the expenditure on access roads through our forests greater than it is. I think that in a backhanded way the hon. member has paid a fine compliment to this program. We offered it last year on a 50 per cent basis to any province wishing to take part without any limit being placed on the expenditure by the federal government. We will accept any program put forward by a province as long as the money is spent on forest access roads.

Mr. Benidickson: Does the work have to be carried out in the winter time?

Mr. Hamilton (Qu'Appelle): It is an eight-month program, November 1 to June 30.

As to representations—I am speaking from memory—there have been general representations from at least two groups which mentioned fire protection. In addition, the premier of British Columbia was in Ottawa recently and this was one of the matters discussed. I think it should be made very clear to the committee that of the tremendous mileage built under this program the province of British Columbia has taken a very large share. I think the figures indicate that between November 1, 1958 and June 30, 1959 the province of British Columbia plans to spend on access roads a total of $1,220,000 of which the federal contribution will be $610,000.

The only province with a road program during the last eight months larger than that for British Columbia was Ontario. Some $3 million was spent on the forest access program in that province. The program has been a remarkable success with eight provinces co-operating. They have inaugurated magnificent programs. I would say the program for British Columbia costing $1.2 million represents a substantial increase over last year. It appears as if the province is taking full advantage of the offer we have made.

Mr. Benidickson: Mr. Chairman, in connection with this item on forest access roads I want to ask the minister again about a particular road project in which he knows I have been interested for some time and about which I have not been able to secure adequate information. I refer to another joint effort between the province of Ontario and the federal government. When speaking under the preceding item, No. 711 the minister indicated that there were several types of joint road programs and in consequence of this many of us become confused about where we stand on these matters. I raise this question because I have not been able to obtain satisfaction. I know the minister has not been deliberately evasive and I appreciate that he has been under some embarrassment in having to deal with the provinces in these matters. I have not obtained too much satisfaction in the questions I asked previously.

I was particularly disturbed with respect to an announcement he made in answer to a question I asked on February 4, 1959, as reported on page 675 of *Hansard*. I did not specify under which program the federal government might have made a contribution but I did ask whether or not the federal government had made a contribution with respect to the construction of a road between Kenora and Minaki. The minister's

answer with respect to this part of the question was that no contribution had been made. I telephoned the minister's staff and told them I was disturbed by this because on June 25 last year I asked a similar question with respect to road construction between Kenora and Minaki and was told that the federal government's share of the cost of the forest access road up to that date was $24,421.75.

I just repeat that in my last question I did not specify under what program we might have participated. I thought the answers were in conflict and I wondered if this was drawn to the minister's attention and if he could tell me anything about the present status of the joint road construction program relating to the area between Kenora and Minaki.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I am required by the agreement I have with the provinces to not mention anything publicly about the roads to resources program unless it has been approved between the two governments. In the case of the road which runs from Minaki down to highway 17—

Mr. Benidickson: Yes, the trans-Canada highway.

Mr. Hamilton (Qu'Appelle): Yes, as long as we are clear on that and there is no question about it. This comes under two programs one of which is the forest access roads program. When the question was asked the hon. member did not specify and I answered in terms of the roads to resources program. I believe my answer was oral.

Mr. Benidickson: No, it was not. I deliberately did not specify the road to resources aspect because I knew there were two or three other types of program. I was unable to find out under which program the contribution had been made last year. I might add that the construction went on as long as the election was in progress and stopped the day after the election but in any event this was the amount of money spent.

Mr. Hamilton (Qu'Appelle): The confusion arises because of the fact that the road is also under the road to resources program.

Mr. Winch: Mr. Chairman, I should like to add a few words to what was said a few moments ago by the hon. member for Kootenay West. We do not have to emphasize that perhaps the major industry of British Columbia is the timber industry. This is of importance not only to those who live in British Columbia but is of vital importance to the federal government as well. The prosperity of the province depends upon the success of the industry and this affects the contributions of the province in terms of corporation and income taxes.

As the hon. member for Kootenay West pointed out, British Columbia was hard hit last year owing to an unusually dry season involving a substantial loss in mature timber, the closing of campsites because of forest fires and the expenditure of approximately $10 million in the fighting of fires. I wish to plead as emphatically as I can that the federal government give consideration to fire protection under its forest access roads and road to resources programs. I appreciate that I cannot speak on the issue of fire protection at the moment because that is outside the scope of these supplementary estimates but I just mention it in passing.

One question comes to mind arising from what was said a moment ago by the hon. member for Kenora-Rainy River. With respect to the contracts between the federal government and the provinces concerning forest access roads, does that also apply with respect to access roads of a forest nature which are not for commercial purposes? I am thinking of provincial parks as opposed to national parks. In British Columbia we have the Tweedsmuir and Garibaldi provincial parks located in sections of the province that are heavily timbered. Does the federal contribution of 50 per cent with respect to forest access roads apply to access roads through provincial parks that are timbered? If so, has any advantage been taken of that in the province of British Columbia, or elsewhere?

Mr. Hamilton (Qu'Appelle): I must inform the hon. member for Vancouver East that I know of no regulations on our part that limit the location of these forest access roads. I do not recall offhand any roads which traverse provincial parks. Those in British Columbia have been from one working circle to another working circle. They are using a working circle system in protecting and managing the timber. I am not aware of any provision to prevent the offer of assistance applying in the case of a forest access road affecting a provincial park.

Mr. Winch: May I ask a supplementary question, Mr. Chairman? The minister states that he cannot recall an application of this kind having been made but in view of the fact that there are thousands of acres of timber in provincial parks would the minister interpret the policy of the federal government as being capable of application to forest access roads leading into areas where there is non-commercial timber in provincial parks which must

be protected from forest hazards as is the case with commercial timber? Would that be his understanding? Would he expect the federal government to pay half the cost of construction of forest access roads through provincial parks where there is timber?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I can only repeat what I said a moment ago. Not having the contract in front of me I can only state that I can think of no reason at the moment why there would be any resistance to building roads of this kind through parks.

I know what the federal policy on parks is but I do not know what the provincial policy is. So far as I know, there is no limitation on going into forest areas. I wish to make it clear that those forest access roads are all-inclusive. They are for forest management, fire protection and all other purposes having to do with the management of forests which is very inadequate in Canada. That is why the program was put forward. It is a capital expenditure on the part of the federal and provincial governments on a 50-50 basis during the 8-months period, and it is for fire protection, as the hon. member for Kootenay West mentioned.

Mr. Winch: The forest access roads are not restricted to commercial opportunities. It is not restricted to forest management licences. It is not restricted to commercial enterprise.

Mr. Hamilton (Qu'Appelle): Just a moment; the hon. member mentioned commercial enterprises. I thought he was referring to provincial parks.

Mr. Winch: The minister is not restricting it to commercial enterprises. If there is an application or a request for access roads to timber in provincial parks the minister would not exclude it?

Mr. Hamilton (Qu'Appelle): I am speaking, of course, purely from memory of a contract which was drawn many months ago, but I know of no regulations that prevent anything in provincial parks. If my memory is correct, I do think there is a limitation in regard to the ownership of land. It must be provincially owned. I may be wrong in that but I have no way of checking it at the moment unless I send a note to my office and ask for the information.

Mr. Benidickson: Mr. Chairman, I noted the other day when the minister tabled a specimen copy of an agreement between the federal government and the province of British Columbia with respect to the roads to resources program that clause 6 of that agreement specified that there would be no work by means of day labour unless the minister consented thereto. The agreement also contained a clause saying that public tenders must be obtained after the federal minister had approved. I was wondering whether in any of these other joint cost-sharing arrangements there was something similar. I suspect I know why those particular clauses were put into agreements of this kind, but I wondered whether the federal government, in connection with the forest access roads program, has insisted on something similar. I think it is intended to eliminate on the part of the provincial government the hiring of men on a day labour basis, or something of that kind, that had not been approved by the federal minister.

Mr. Hamilton (Qu'Appelle): I will have to take that question as notice, Mr. Chairman, and answer it on the main estimates or in a standing committee. I would like to say a word on the clauses which the hon. member has just quoted. There is also a clause in the agreement stating that any province may request useful day labour. If my memory serves me again, Mr. Chairman, I think five provinces have individually made that request. There is a clause that does permit us to do that on special occasions.

Mr. Herridge: I have two questions. Are any standards laid down respecting those forest access roads as to width, type and so on, and with respect to trails? What provision is made in the agreement for inspection by officials of the minister's department with respect to certifying, satisfactory to the minister, that certain work has been undertaken and is up to standard of roads or trails?

Mr. Hamilton (Qu'Appelle): A great deal of debate has taken place on standards. A road which may be standard in Ontario and which may be of a certain width may not be satisfactory to British Columbia where there are tall tree areas. In an area where there are tall trees a width of 200 feet may be required. If the provincial requirements are such that they want to build a road to higher standards than we are prepared to pay, then we pay only half of the cost of the standard that we set, and anything beyond that must be paid completely by the province.

Mr. Herridge: What about inspection?

Mr. Hamilton (Qu'Appelle): The roads are inspected by the federal government or, in the case of roads to resources, by the Department of Public Works.

Mr. Herridge: Of the federal government?

Mr. Hamilton (Qu'Appelle): Yes.

Mr. Godin: I would like to make a few brief remarks and address a few questions to the Minister of Northern Affairs and National Resources. I think the vote we are

discussing at the present time must be foremost in his program. Last year, when debating this item on the estimates, I had occasion to try to obtain certain information from the minister as to what was to appear in his program. Most of the answers were vague and negative and were to the effect that at that time there were no co-operative schemes with Ontario for example, with respect to roads for forest purposes or for other purposes such as reaching resources such as new timber, mines all of which are very prominent in the area which I represent, namely the Nickel Belt riding.

I have stated that the answers I received last year were vague. The program as laid down last year was more or less a type of revision. I feel that on this occasion I may be able to find out just what is going on in the province of Ontario, and especially in northern Ontario and in my area. The minister said that he operates under a co-operative scheme with the provinces. He said a moment ago that in most of these projects he is not entitled to publicize what the arrangement was or what work was going on. I feel that a project so worthy as this should be understood and that everyone, especially those persons whom it may benefit, should have the information. I fail to see the reasoning behind the minister's statement. I realize that if we are to have agreements with the provincial governments we should have something to say about them. I fail to understand the reference that when there is an agreement with the provinces it should be kept quiet and there should be no publicity about it.

As I travel around my area some people tell me about the access roads of the department of northern affairs. Others tell me about the wonderful work the government in Toronto is doing and no one knows just who the Canadians are who have to do with this problem of developing our resources and reaching them.

It has often been said that the one at the oars is never the one to rock the boat. I feel that the Minister of Northern Affairs and National Resources has placed himself at the oars and is trying to do something which is good and the provincial governments are rocking the boat. If that is so we should ascertain that at this time. We should have certain control over the program and the assistance which we are giving and we should at least know about the resources in my area. I understand that some technical work has been going on.

I should like to know at this time whether there is an agreement with Ontario, what it is and what it means, and if it applies to northern Ontario. We know that in this area of Ontario there is a place where you do not have to fool the people all the time but only during a forthcoming provincial election. Unfortunately, I received this information only this morning and it pertains to this very matter. The minister may have received the same information. There are problems north of Gogama where certain roads are discussed. I do not know myself exactly what scheme he has in mind, but possibly it follows the theory that the minister has, I feel wrongly, undertaken to follow, namely a co-operative scheme without letting the people know about it.

There is an Indian reserve in my area upon which there is a great deal of timber, possibly some mining wealth and tourist attractions as well. This morning I received a report from Mr. R. Labbe of Gogama and I should like the minister to take note of the conditions to which he referred. The letter says:

> The reserve is situated 14 miles northeast of Gogama and there is a good road leading to it but it is not kept open in the winter when it would be mostly needed. Why? No logical explanation can be given. Is it through lack of equipment? Certainly not. The department of highways keeps the road coming into Gogama open all winter. Furthermore, the department of lands and forests keeps five miles of the reserve road open for access to the Gogama-Timmins road now under construction. Two weeks ago, it took the hydro snowmobile six hours to reach the reserve in order to take out an old Indian who had frozen his hands. Two days ago a nurse had to be flown in to get a sick baby to the hospital.

If I might make a comment here, it would seem to me that in these agreements with the provinces there should be an obligation on the province to keep the roads open once they are built with the moneys we are voting. We are voting an amount of $1,682,000, and this is only a supplementary amount to that already voted to the minister for this purpose. Certainly the people need these roads if the resources are to be developed. People will live near these roads, and they should be kept open to assist the people in obtaining the services they need in trying to develop these resources.

I should like to inform the minister of two other incidents which occurred just north of Gogama in my riding. I have a report from the same person, Mr. R. Labbe of Gogama, which reads as follows:

> A week ago, I noticed that no smoke was coming out of a shack occupied by a pensioner aged 77. After knocking the door open, we found him lying on the floor face down. He had been dead for six or seven hours. He had tried to light his stove but without success. Water was frozen in the kettle indicating that there had been no fire in the shack for at least 24 hours. Only a few frozen potatoes, a piece of salt pork and a few pieces of bread were found. The shack was so dirty and

in such a mess that the constable who investigated could hardly believe his eyes. Last week, another old age pensioner (80 years) living alone in the bush was found on a lake crawling on all fours not knowing how to get back to his camp. His hands, legs and feet were frozen and doctors are at a loss to explain how he survived. This is legal cruelty to humans.

Of course, the last remark is only the opinion of the person writing the letter. In any event, it appears that this hamlet on the reserve only 14 miles from a proper town in my area is without a road for some seven or eight miles during the wintertime, by means of which they could communicate with civilization. I would, therefore, like to obtain from the minister more information as to what is occurring in so far as Ontario is concerned. How much are they rocking the boat while we are trying to pull at the oars? In what fashion can we ascertain that the people who are serviced by these roads will be able to use them during the winter months, especially in northern Ontario where winter extends over five or six months in the year?

Mr. Hamilton (Qu'Appelle): I have to say very bluntly to my hon. friend that he misunderstands the purpose of this program. This vote is for forest access roads and the program is deliberately designed to make forests accessible for management purposes or in case of fire fighting in the summertime. By no stretch of the imagination does it deal with people at all. The scheme does not relate to roads from A to B or community to community. This roads program proposed by the federal government is to help protect our forests and aid in their management; that is the first thing I should like to say.

I think, myself, that the hon. member has enunciated a very controversial proposition. He says that the federal government should interfere with the provincial government in the conduct of affairs which are expressly in the hands of the provincial government. We would not consider it right to tell any province what they have to do in so far as matters under provincial jurisdiction are concerned. Roads are the responsibility of the provincial government. This program is an effort on the part of the resources department of the government to co-operate with the provinces. They do not have to accept if they do not want any program to better protect or manage their forests. There is no connection between these roads and roads to communities.

The second point is that this vote is concerned with forest access roads, and of course the roads to resources program is a different program entirely. It is another co-operative program with the provinces, but it is not under this vote. It is a new program in which Ontario has made a magnificent contribution by bringing this idea to the fore in Canada. Ontario is the pioneer in this field, and from a plan relating to mining access roads only it was later amended to cover access roads to all resources. All that the federal government has done has been to pick up this idea from Ontario and make it applicable all across Canada on a voluntary basis. The reason that we cannot divulge what is going on in the negotiations is that conditions change from time to time. If a road proposed by a province does not meet our criterion that the road should open new resources, we ask for a change and this may go back and forth. If these discussions were brought into public view then everybody would join in, and all logic and reason in the program would disappear. The province has the responsibility to serve the people with roads. These are roads to open up resources or to protect forests.

Mr. Slogan: I should like to commend the Minister of Northern Affairs and National Resources for including this supplementary estimate of $1,682,000. I might say I am one of those who hold a great deal of admiration for the minister because I feel he is one of the hardest working and most sincere of our ministers. I only feel sorry for him when the big war tanks from the front lines of the opposition get rolling in this house.

I agree with the minister that the provinces should have the complete say in how this money should be spent. I do not think we should try to control the manner in which it is spent by the provinces. I might say that in my own province of Manitoba there was considerable agitation for a program of access roads. I am glad to see that it has come into being. It is a well-known fact that fire and pestilence destroy far more timber than is taken by the pulp and paper or lumbering industries. I am sure this program of access roads will do something to lower the fire hazards in the forests, and will also make it much more profitable for the pulp cutters, enabling them to bring out the wood from the more inaccessible areas. This will, in turn, lower their costs and it will save labour.

In my own constituency, we have a pulp and paper industry. At this time the prices of pulpwood are a little bit depressed. I feel that the opportunity for employment offered by the building of these roads may offset this to some degree. I am sure that the pulp and paper industry in my constituency welcomes this, as do the pulp cutters and also the province of Manitoba. I should merely like to ask the minister at this time whether he can tell me what part of this appropriation is

going to go to the province of Manitoba and how many people will be employed under the program in Manitoba?

Mr. Hamilton (Qu'Appelle): The estimate for Manitoba for the period, November 1, 1958, to June 30, 1959, is $992,400, of which we will have to provide half. This compares with last year's total of approximately $232,000 for Manitoba. The number of men employed on this particular phase of the program in Manitoba during the first week of January was 269.

Mr. Carter: May I ask the minister if he would be good enough to make these figures available for all provinces by having them printed in *Hansard* as was done in connection with the former item?

Mr. Hamilton (Qu'Appelle): I will provide these tables for *Hansard* after the vote is passed because I have only one set.

Mr. Slogan: I should like to ask a supplementary question. The minister stated that $992,400 is being provided this year compared with $232,000 last year. Was that $232,000 the whole program or just our share of it?

Mr. Hamilton (Qu'Appelle): Just the share of the federal government.

The Deputy Chairman: Do I understand that the minister has permission to include in *Hansard* the table to which he has referred?

Some hon. Members: Agreed.

Mr. Hamilton (Qu'Appelle): The table follows:

B—Federal-provincial program
(1) Forest access road program:

Province	Estimated total expenditures	Estimated federal contribution	Number employed January, 1959
	$	$	
British Columbia	1,220,000	610,000	170
Alberta	250,000	125,000	163
Saskatchewan	400,000	200,000	153
Manitoba	992,400	283,200	269
Ontario	3,000,000	1,500,000	545
New Brunswick	20,000	10,000	50
Nova Scotia	86,344	43,172	15
Newfoundland	125,000	62,500	1
	6,093,744	2,833,872	1,366

(Total federal contribution under last winter's programme was $1,689,736)

(2) Campgrounds—picnic areas program:

Province	Estimated total expenditures	Estimated federal contribution	Number employed January, 1959
	$	$	
British Columbia	500,000	250,000	45
Alberta	500,000	250,000	38
Saskatchewan	300,000	150,000	97
Manitoba	183,000	91,000	156
Ontario	1,645,000	822,000	697
New Brunswick	50,000	25,000	6
Nova Scotia	161,643	78,122	62
Newfoundland	130,000	65,000	-
	3,469,643	1,731,122	1,101

(Total federal contribution under last winter's program was $1,312,257)

Note:

(1) The above employment figures are expected to rise as the provincial programs become fully underway.

(2) The funds required for the campgrounds picnic areas program until March 31 have already been voted by parliament.

(3) In addition to the winter works programs set out above, the trans-Canada campgrounds program was commencing in January and 21 men were employed. Also, under the roads to resources program, 688 men were employed.

(4) The federal and federal-provincial programs carried out by or through the Department of Northern Affairs and National Resources provided, in total, employment for 5,846 men in January.

Mr. Fisher: Mr. Chairman, in November of last year I noticed a story about a partial breakdown in this program involving a road from Pickle Crow to Winisk. According to the story, three provincial cabinet ministers covered this area to see whether it was practical and after surveying the moose, muskeg and dwarf spruce they decided that it was not. The story went on to say that they refused to go along with this particular road. Can the minister tell me whether this projected road from Pickle Crow to Winisk was part of the forest access road picture or part

of the roads to resources program? If it was not part of the forest access roads program I should like to know what the idea was in setting it out in this particular line.

Mr. Hamilton (Qu'Appelle): The hon. member has put me in a peculiar position in that if I answer one way or the other I reveal the information with respect to whether this road is under the resources program. All I will say is that the province of Ontario has taken particular care to examine every proposal very carefully. There has been, of course, examination of certain proposed roads into the north, and I think the one mentioned by the hon. member was one of those examined. I am not certain about the northern terminus. The provincial government of Ontario has submitted these proposals to us and we have examined them. I do know that there is going to be a very fine program in Ontario, but the province is making a very careful examination of every proposal before they submit it to us.

Mr. Fisher: As the hon. member for Nickel Belt remarked, there is a provincial election in the offing this year and I am sure there will be a very fine program of roads. As a matter of fact, the minister is aware that one of the difficulties under which we operate as federal members is that we cannot find out exactly what program is in mind. He knows that just by looking at the order paper and the fact that he has not given answers to our notices of motion for production of papers in this regard.

I understand his position but what I encounter all the time in my constituency, and it is from people who happen to belong to the minister's party, is that they complain that the provincial government has come up with an excellent program but as to anything south of the north line of the C.N.R. they have not had the co-operation of the federal government. It is said that the minister's department has not looked with favour upon roads south of the north line of the C.N.R., in other words, say from Redditt east to Hornepayne and south. Hardly anything has been approved, and according to the stories I hear the province has put forward a number of suggestions.

This general dissatisfaction cannot seem to be got at. The provincial politicians are, of course, crusading for this program and when it does not come through they throw the blame on the federal government. I have given the minister an example or two of that where people in places such as Hornepayne and Nakina say, "We hear from our Conservative wheel horses that the federal government is holding everything up."

I have had an explanation of what has been one of the hold-ups but I should like to know this. Why is it that so few of these forest access roads are in areas where very large timber limits are held by such concerns as Kimberly-Clark, Marathon, Abitibi and organizations of that type? Are we to take it from the fact that there have not been any forest access roads of any size in these areas that there has been a decision of the federal government not to encourage that type of access road since it is something that should be properly done by the pulp and paper companies or by the provincial government? I think that is a fair estimate of the situation. If you look at the forest roads, very few of them have been constructed into timber limits that are being operated at the present time. I should like to know whether that is a factor that the federal government considers in deciding whether it will go along with what the provincial government suggests.

The other point I am interested in is the type of contract so far as forest access roads are concerned. I know that situations will differ in different areas, but which type of contract does the federal government tend to approve? I know that this is a question for debate. For example, one of the roads is running from Nakina north and there has been quite a bit of discussion whether the work should be done by private contractors or by the provincial department of lands and forests or department of highways. What is the minister's preference, and if there are shades of preference, why?

Mr. Hamilton (Qu'Appelle): The discussion is ranging back and forth between forest access roads and roads to resources, and it is a little hard to keep one's thinking straight. I believe the hon. member for Vancouver East asked a question concerning commercial roads in provincial parks and I said that to my memory there was nothing against entering into provincial parks. Speaking again from memory, I said there was something in the agreements about crown lands but I have since been informed by my department that there is nothing in there with respect to commercial lands. However, I am right in the fact that there are no roads built today on commercial properties. There is nothing in the policy that prohibits the building of forest access roads in provincial parks or on commercial properties. That in effect is an answer to the hon. member for Port Arthur with regard to the criticism he has put forward. I cannot speak from memory about every road in every province but my memory does serve me in the general feeling as to roads even on crown lands. Therefore I was

right on that point, but I am now saying that I have been informed that there is no restriction as far as we are concerned with respect to where a road is built as long as it meets the criterion that it is a forest access road.

Mr. Fisher: How do we get at the roots of the question as to what proposals of the provinces have been turned down and why the minister's department is turning them down?

Mr. Hamilton (Qu'Appelle): Believe me, Mr. Chairman, the allusion made by the hon. member for Port Arthur that we would turn them down for political reason is wrong.

Mr. Fisher: I did not say that.

Mr. Hamilton (Qu'Appelle): There is no discrimination as far as we are concerned with respect to areas south of the C.N.R. or north of the C.N.R. With respect to forest access roads we just ask ourselves the simple question: do they make forest areas available for management, fire protection and so on. It is up to the province to make the proposal. It is up to us to examine the proposal, and if it is acceptable there is no limit on the amount. With regard to the question of roads to resources, the question of a road north and south of the C.N.R. is mostly in connection with roads to resources.

I want to correct another thing which I think is unfair. If there has been any delay on these roads to resources, the fault does not lie with Ontario. The fault lies in the fact that I was trying to follow a policy of making a similar agreement with every province, and when one province asked me for something I had to go back and question all the other provinces. This is not a political statement, because I agree with what the province in particular did. One province, not Ontario, asked for an amendment which was, in effect, a change in the conception of the whole policy. We could not see how we could meet it without going back to the other provinces and making those adjustments. I would ask the hon. member, who has a very sincere and knowledgeable interest in this matter, if he would let me take this matter up with the standing committee on mines, forests and waters to be dealt with there, because it concerns the philosophies and principles of the whole policy.

Mr. Pickersgill: Mr. Chairman, I wonder if I might be permitted to ask a supplementary question. Could the minister tell us which provinces have not concluded agreements with regard to forest access roads, and perhaps for completeness, agreements under the roads to resources program as well?

[Mr. Hamilton (Qu'Appelle).]

Mr. Hamilton (Qu'Appelle): All provinces have agreed in principle with the federal government on roads to resources, except Quebec. All provinces, with the exception of Quebec and Prince Edward Island, have an agreement on forest access roads. Prince Edward Island obviously has not, because there are no forests. All provinces, with the exception of Quebec, have agreements with us on the camp ground picnic sites program.

Mr. Pickersgill: Have any agreements been signed with any of the provinces?

Mr. Hamilton (Qu'Appelle): Yes. On the roads to resources program, agreements have been signed with one province, namely British Columbia. On the roads to resources program also, several provinces have signed, but in view of the questions raised by another province I had to go back to them and ask them to reconsider this point. This is being done now and is the cause of the delay.

Mr. Pickersgill: Are these programs going on notwithstanding the fact that the agreements have been completed?

Mr. Hamilton (Qu'Appelle): Yes, Mr. Chairman. There is no delay in the work.

Mr. Pickersgill: Is that true of Newfoundland?

Mr. Hamilton (Qu'Appelle): To which program are you referring?

Mr. Pickersgill: Either or both.

Mr. Hamilton (Qu'Appelle): I think there have been reports that due to the deep snow they have had to slow down all work on the forest access roads, but I cannot actually confirm that now.

Mr. Winch: Out of curiosity could I ask the hon. minister this question. If my memory serves me correctly, when a federal grant is made in aid of education, for the majority of the universities or institutions in Quebec, that money is held in trust. Could I ask the hon. minister whether or not, in view of the fact that Quebec and Prince Edward Island are not committed to this scheme, any money out of this plan is being held in trust in the event they participate, or if they do not come in do they lose the opportunity which has been taken advantage of by all the other provinces?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, this is a winter works program for this current year, designed to relieve unemployment, and there is no purpose in holding something in trust for something which might not exist in the future.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

Public buildings construction and services—

Acquisition, construction and improvements of public buildings—

Construction, acquisition, major repairs and improvements of, and plans and sites for, public buildings listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended on individual listed projects—further amount required—

713. Ottawa, $200,000.

Mr. Bourget: Just one or two questions. I understand that work is now underway regarding this item. Can the minister tell us who the contractor is?

Mr. Fleming (Eglinton): Several contracts have already been entered into. There is one contract with Lanctot Construction Company for repairs to exterior openings. There is a contract with Turnbull Elevator Company for renovation of elevators; a contract with A. Bruce Benson for interior repairs and partitioning of the first three floors.

Mr. Bourget: Were public tenders called for this work?

Mr. Fleming (Eglinton): I would assume so. I have not any precise information on that subject. One of these amounts, the smallest, was $21,910. I think they are all amounts where tenders must be called.

Mr. Bourget: The hon. minister is not sure?

Mr. Fleming (Eglinton): My hon. friend knows the limitation which exists on contracts under the Department of Public Works, but these are contracts of larger amounts. There is just one qualification in that respect: the others are all amounts where tenders must be called. The contract with A. Bruce Benson is for $398,868; the one with Lanctot Construction Company, $59,000.

Item agreed to.

SECRETARY OF STATE

Special—

714. Expenses pertaining to the visit to Canada in 1958 of Her Royal Highness The Princess Margaret, $110,000.

Mr. Fisher: Mr. Chairman, I just wanted to ask one question. There has been some discussion in relation to the visit of Her Royal Highness about the facilities provided, and the bearing of expenses in connection with the coverage of this event by publicity and other agencies. There have been some regrettable remarks to the effect that this government is not supporting the press coverage to the extent of including travelling expenses and facilities, but is leaving it up to the newspapers and television operators concerned. I agree with the position that the government has taken. I think these very well-to-do organizations should be paying for their own travelling expenses as regards coverage of this particular item, but I would like to know whether the minister has any brief statement or comment to make as to why this decision was reached, because I think there will be further public discussion about it.

Mr. Fleming (Eglinton): There is nothing of a specific nature which I have to add on this particular subject. The item before the committee covers all of the expenses of the trip of Her Royal Highness. The largest item here is travel and transportation, and the government thought its obligation ended with the provision of travel and transportation for Her Royal Highness and her party and those necessarily accompanying her on her trip.

Mr. Winch: Mr. Chairman, I am not going to comment on the actual supplementary estimate for $110,000 for the visit of Her Royal Highness, but I want to take the opportunity at this time to ask the Minister of Finance if he would answer a question which I know intrigues a great many people. This question has never been answered, and I think that now is the time to answer it. Would the Minister of Finance, in matters of this nature, kindly give some indication to this house as to what is the basis for this decision? Is there any general basis, any general policy, or any general plan, in connection with visits to Canada by members of the royal family as to a division of the cost of such visit from the United Kingdom to Canada, and throughout Canada, as between the household of the royal family or the individuals concerned, the government at Westminster, the federal government of Canada, and the provinces which they visit? I think the minister knows that this is something which is asked members of parliament, is asked editorially, is commented upon, and the entire matter is confused. I think there is no reason whatsoever why the people of this country and the press should not know just what is the broad basis upon which these matters of finance in connection with visits of the royal family are decided. Would the Minister of Finance just clear the air a little by giving some indication how these matters are worked out, both provincially and federally, with regard to the royal family, and whether it involves the government of the United Kingdom at Westminster.

Mr. Fleming (Eglinton): While a member of the royal family is in this country as a guest of Canada on a tour, Canada, of course, bears all the expenses of the trip and the

provinces are not expected to bear any portion of that expenditure. Some of the provinces, I have no doubt, incur expenditure in connection with things they do in honour of the visit, but the federal treasury expects to bear the expenses of a visit of a member of the royal family while the royal visitor is in Canada. As to the royal household, the hon. member will not expect me to answer questions about the privy purse of the royal household.

Mr. Winch: That means that the responsibility of Canada starts on the arrival of any member of the royal family in Canada.

Mr. Fleming (Eglinton): If it is a visit. There have been occasions, the hon. member knows, when a member of the royal family has happened to land in Canada en route to some other country. That happened about two years ago. We are speaking now of an occasion when a member of the royal family is making a visit to Canada.

Mr. Winch: I am speaking now of visits to Canada, not of a stay in Gander while en route to somewhere else. I understand that a visit by a member of the royal family to Canada is accepted by Canada as an expense. Perhaps the minister will tell us how the arrangements for a visit by a member of the royal family are made? Is it at the request of the Canadian government or does the request come from the royal family itself? Is Canada consulted about all these visits, and does Canada extend an invitation?

Mr. Fleming (Eglinton): I think the hon. member will realize that this is a matter upon which it is not possible to make a general statement with respect to all situations. There are channels of communication with regard to these matters and they are used, of course, in arranging these visits and in deciding the details of the tour and the extent and timing of the visit.

Mr. Fisher: I just wanted to ask the minister if he could tell us how large a staff General Graham has at the royal tour headquarters and whether the personnel who go out to lay the groundwork are all military people.

Mr. Fleming (Eglinton): This has nothing whatever to do with the visit of Her Majesty the Queen next June. There is an item in the main estimates that we shall be reaching in due course this session.

Item agreed to.

[Mr. Fleming (Eglinton).]

The Deputy Chairman: That resolution completes the supplementary estimates.

Resolutions reported and concurred in.

WAYS AND MEANS

The house in committee of ways and means, Mr. Rea in the chair.

Mr. Fleming (Eglinton) moved:

That towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1959, the sum of $27,954,667, be granted out of the Consolidated Revenue Fund of Canada.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill C-24, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1959.

Mr. Chevrier: May I ask if the bill is printed?

Mr. Fleming (Eglinton): Copies are available and I will be glad to send a copy over to the hon. gentleman. They have been printed for some time, indeed days and days.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. Rea in the chair.

Clauses 1 to 4 agreed to.

On the schedule.

Mr. Pickersgill: I wonder if I could ask the minister if the schedule is in the same form as the estimates we have just considered.

Mr. Fleming (Eglinton): Yes, Mr. Chairman.

Schedule agreed to.

Mr. Herridge: I should like to ask the minister if the terms of the bill are exactly the same as those of other appropriation bills.

Mr. Fleming (Eglinton): Yes, Mr. Chairman.

Bill reported, read the third time and passed.

FINANCE

STATEMENT ON SHORT TERM BOND ISSUE

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, if I might have the leave of the house, I am now in a position to answer a question which I did not think it was appropriate to answer at the time it was directed to me earlier in the day on the orders of the day having to do with the current offering of Canadian bonds.

Mr. Speaker: Has the minister the leave of the house to answer this question?

Some hon. Members: Agreed.

Mr. Fleming (Eglinton): I am happy to inform the house that the books were opened at five o'clock and because the loan was substantially oversubscribed we were able to close the books a few minutes after five o'clock.

ST. LAWRENCE SEAWAY AUTHORITY ACT

AMENDMENT TO INCREASE LIMIT ON AMOUNT TO BE BORROWED

Hon. George H. Hees (Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the St. Lawrence Seaway Authority Act to provide that the authority, with the approval of the governor in council, may from time to time borrow money from Her Majesty or otherwise to an aggregate that shall not at any time exceed $335,000,000.00 in lieu of $300,000,000.00 which it is already authorized to borrow by section 13 of the act.

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

Mr. Hees: Mr. Chairman, this resolution is to give assent to the introduction of a measure to amend section 13 of the St. Lawrence Seaway Authority Act, 1951, for the purpose of increasing the statutory limit of the borrowing power of the authority from $300 million to $335 million. The proposed amendment does not in itself provide the authority with more funds. It has to do solely with the limiting of borrowing power. Capital expenditures of the seaway are financed by loans which the Minister of Finance is authorized to make under the powers contained in section 25 of the act but such loans may not be made in any fiscal year except to the extent that parliament has authorized them. Consequently capital expenditures on the seaway have been provided for from annual loan appropriations included in the estimates.

The need for increasing the borrowing limit became apparent last year when there was placed before parliament the approved capital budget for 1958, in compliance with section 80 of the Financial Administration Act. The statement then presented, in addition to showing the requirements for 1958, indicated that the aggregate capital expenditure was then estimated at $322,062,800. It is expected that disbursements under parliamentary appropriations authorized to date will by March 31st next have amounted to about $270 million, leaving an unexhausted borrowing power of $30 million for future requirements.

The 1959 capital budget, which has not yet been tabled, will show an estimated expenditure in the year of $52,500,000, reduced for the time being to $30 million, so as not to exceed the present statutory borrowing limit. Vote No. 482 of the main estimates of 1959-60 contains a loan appropriation for the latter amount. A revised estimate has been made of total expenditure, which is now placed at $329,025,700. It is not possible, even at this date, to make a close estimate of final costs, because of such contingencies as contractors' claims, and the unsettled matter of any contribution which the governor in council may assess against the authority in connection with the Canadian National Railways' Victoria bridge diversion. It is therefore considered that in increasing the borrowing power from $300 million to $335 million the latter figure being about $6 million in excess of the official budget figure, reasonable provision would be made for undetermined requirements.

The following statement indicates the progressive increase in the estimated total expenditure, as exhibited from year to year in the approved capital budget:

Year	Estimated Over-all Total Expenditure
1955	$205,535,000
1956	$213,156,750
1957	$284,675,000
1958	$322,062,800
1959	$329,025,700

As I have indicated, the cost to Canada of the seaway was estimated in the 1955 capital budget at $205,500,000, as compared with the present total estimated expenditure of $329 million. The first-mentioned estimate was made before most of the large contracts were let, and also before some major decisions as to the scope of the work were made, including, for instance, the division of responsibility for dredging in the international rapids section.

The difference between the 1955 and the 1959 estimated total cost is $123,500,000. I am advised by the seaway authority that important subsequent changes in the scope of the work and other items not provided for resulted in increasing the estimates in round figures by $104,500,000, as follows:

Section	Project	Date decision taken	Cost
Lachine Section	Turning basins—two in the Laprairie basin pool and one in Montreal harbour	Spring 1955	$5,000,000
	Enlarging channel—Caughnawaga to Cote Ste. Catherine to by-pass 40,000 c.f.s.	Summer 1955	4,000,000
	Additional cost to provide a high level Mercier bridge rather than a lift span to provide facilities necessary to take care of future expansion of Mercier bridge by the province of Quebec	early 1956	11,000,000
	Additional vertical lift bridge at upper end of St. Lambert lock to provide uninterrupted highway traffic and to provide for future use by the railways for uninterrupted railway crossing to south shore	1955	5,500,000
	Two railway single track lift bridges (C.P.R. crossing) rather than one double track	1956	1,000,000
	Cote Ste. Catherine wharf	1955	1,500,000
	Greatly enlarged scope of municipal works	Various dates	5,000,000
	Provision for future twinning of two locks, St. Lambert and Cte Ste. Catherine	1956	2,000,000
Soulanges Section	Four-lane highway tunnel at Beauharnois in place of lift bridge (by request of province of Quebec)	early 1956	2,500,000
	Snubbing wharf—temporary berthage (mooring)	1958	500,000
International Rapids Section	Dredging and channel improvements north and south of Cornwall Island. Expenditure not previously provided for and resulting from decision made in 1956 as to division of cost between the two seaway entities. Areas to be dredged were divided so that estimated cost would be borne equally	1956	18,000,000
	Cornwall—south channel bridge substructure and related expenditures	1955	2,700,000
	North channel bridge	1956	6,500,000
	Contribution to power entities for channel enlargement. (Authority required to pay $15,000,000, pursuant to exchange of notes on June 30, 1952 between Canada and the United States, and to receive $6,000,000, under arrangements made in 1956.) Net expenditure, $9,000,000.	1956	9,000,000
	Provision for future twinning, Iroquois lock.	1956	1,000,000
Thousand Islands Section	Channel dredging and disposal	1956	1,000,000
Welland Section	Increase involved in deepening to specifications determined in the autumn of 1955	Autumn 1955	23,600,000
Generally:	Increased expenditure for land expropriations		4,700,000
	Total—		$104,500,000

If the amount of the above-mentioned major additional cost of $104,500,000 is added to the first budget figure of $205,500,000, the resultant total is $310 million, as compared with the 1959 budget total of $329 million, an increase of $19 million. Factors contributing to such an increase are the provision for claims and the general increase in construction costs between 1954 when the first estimate was compiled and the dates of the awarding of contracts. I am informed that the index of construction cost increased 11 per cent between the end of 1954 and the end of 1956.

As questions have been placed on the order paper and references have been made in the press respecting claims filed by contractors in connection with St. Lawrence

seaway work, it is perhaps desirable that I should make a statement on this subject, based upon information furnished by the seaway authority.

In the first place, it might be said that it is not unusual or abnormal that claims are put forward in the case of large contracts, whether they be with public authorities or business corporations. To date the seaway authority has received claims in respect of 28 contracts, the individual amounts ranging from a few thousand to several million dollars. Except for minor items which on investigation may be paid for as units of work to which the contract is applicable, the claims relate to extra payments not authorized under the contracts and represent the contractors' own appraisal of costs, and sometimes profits, to which they claim to be entitled as a result of special situations and difficulties which were encountered in the course of the work. The totals are not necessarily a criterion of liability.

As background information it may be observed that the St. Lawrence seaway authority is not permitted under its bylaws to grant a construction contract exceeding $50,000 in value without the approval of treasury board being first obtained and no contract involving over $15,000 may be awarded without calling for sealed tenders on approved tender forms. The form of contract is that generally in use by government departments. No claim involving expenditure not provided for under the contract may be paid, in whole or in part, without the approval of treasury board.

Contractors for lock construction and channel excavation, whose claims represent about 86 per cent of the total received, have based them on general as well as specific representations. On general grounds they contend that favourable consideration should be given because a creditable job was done, essentially in time, but that in order to do so unanticipated and increased costs were involved and severe losses incurred. The authority points out that to complete in time was a primary obligation under the contracts and that each individual claim has to be considered on its merits and recommendations made in accordance with the principles laid down by treasury board. The authority is of the view that, in some cases, additional costs would have been avoided had the work been effectively and efficiently executed throughout the period. The records show that as regards several large contracts the work became admittedly so seriously behind schedule that the contractors involved were obliged to change the management of their contracts. Complications naturally result from such occurrences.

While the claims cover numerous items of work, and as such are to be treated as individual in character, many of them fall into one or more of the following general categories: Claims due to a rising wage level; claims based upon alleged undisclosed ground and water conditions; claims based upon alleged interferences with scheduling of work for various causes, including changes in plans and delays in providing plans by engineers of the authority; claims due to quantities being greater than estimated in tender documents; claims due to quantities being less than estimated in tender documents; claims due to additional cost of placing concrete in winter; claims relating to quantities in dispute; claims based upon the contention that procedures for the disposal of excavating materials differed in actuality from that assumed at the time of tendering.

Pressure of urgent work, particularly in the final stages of construction, prevented the authority's engineers from giving priority to claims, although a good deal of time was given to discussions with contractors concerning them. About a year ago, two experienced engineers, Mr. W. B. Crombie, and Mr. D. Forgan, were employed for the special purpose of investigating and reporting on claims. Mr. Crombie was formerly a project manager and latterly consultant, at the head office of hydro-electric power commission of Ontario. Mr. Forgan previously held the position of director of construction, also with Ontario hydro. Considerable progress has been made and their findings are being reviewed by the chief engineer and his senior assistants who, as construction work nears completion, are in a position to devote more time to this activity. As soon as possible the authority will make a comprehensive report on each contractor's submission dealing not only with claims considered to be entitled to favourable consideration, but also with those considered inadmissible. The Minister of Transport will then refer the report to treasury board.

In general, claims will receive consideration and fair appraisal if extra or abnormal costs have been caused by action or omission on the part of the authority, or have arisen from physical conditions that could not have been foreseen. Or, on the other hand, extra costs attributable to errors or delays by the contractor or due to physical conditions which should have been foreseen or to increases in wages, there being no escalator clause, cannot be considered as the authority's responsibility.

Up to January 27, 28 claims have been received, totalling $36,329,000. Six of these

claims have been dealt with and the remainder are being examined at the present time. It is expected that all major claims will have been dealt with within the next three months. The six claims that have been dealt with so far total $8,636,000. Of this amount, claims totalling $768,000 have been accepted and $7,868,000 have been rejected.

Mr. Chevrier: Will you call it six o'clock, Mr. Chairman?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: I presume that the business for tomorrow is as was announced last night by the minister who was leading the house?

Mr. Churchill: Yes. We will carry on with this resolution and the other items, as announced last night. They may be found at page 1128 of *Hansard*.

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

ANSWERS TO QUESTIONS

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

ONTARIO-ST. LAWRENCE CANALS EMPLOYMENT

Question No. 5—**Mr. Chevrier:**

1. How many men were employed on the Ontario-St. Lawrence canals at the opening of the 1958 season of navigation?
2. How many of these were civil servants and how many were not, and how many were (a) permanent; (b) temporary; (c) casual; (d) prevailing rate?
3. How many men are now employed in each of the above categories?
4. How many men have been dismissed?
5. What attempt has been made to find employment for them elsewhere in (a) the Department of Transport; (b) the St. Lawrence seaway authority; (c) other departments of government?
6. Was a committee established for this purpose? If so, who were the members of this committee, how often did they meet, and what have they done to find employment for these men?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. 225 plus 100 casuals—total 325

2. Civil servants—146 others—179
   - (*a*) permanent civil servants — 139
   - (*b*) temporary civil servants — 7
   - (*c*) casuals — 100
   - (*d*) prevailing rates (73) and ships' personnel (6) — 79

3.
   - (*a*) permanent civil servants now employed — 78
   - (*b*) temporary civil servants now employed — nil
   - (*c*) casuals now employed — 51
   - (*d*) prevailing rates (67) and ships' personnel (5) now employed — 72

   Total other than casuals — 150

4. None has been dismissed for cause. Disposal as follows:

Staff at opening of 1958 season			325	
casuals			100	
			225	
Now employed			150	
			75	150
Laid off	30			
About to be	10			
		40		40
Retired or retiring, resigned, transferred, died		35		
			75	
				190
Number of selections by seaway indicated so far				105
				85

5. (a) Operating employees were canvassed early last season and invited to apply for transfer to entry grade positions on other canals in Ontario. Seven employees found physically fit for employment on the Welland canals have already been transferred to that location. (b) Competitions for employment on the new seaway structures have been opened to canal services employees and the authority is now in process of naming the staff selected for employment at Cornwall and Iroquois. The number of selections indicated so far is 105. (c) The civil service commission has established lay-off lists of operating employees. The names of other classified personnel are being furnished to the commission for reassignment if they are not selected by the St. Lawrence seaway authority or transferred to positions within the department. The department will continue its efforts to have placed in continuing employment as many as possible of the 85 referred to in answer to question 4.

6. No formal committee was established for the purpose of finding employment for canal services employees who would be displaced as a result of completion of the St. Lawrence seaway. However, beginning in 1955 the department has had under constant review the problems associated with the anticipated staff dislocations. There have been frequent group meetings between the department and officers of the authority, the department and members of the civil service commission. The commission has been kept informed of the situation as it has developed and has approved departmental recommendations made from time to time to assist employees in their own endeavours to obtain other employment. For

example, approving the department's recommendation for leave without pay to try out in employment outside the service.

MALONE, N.Y.-MONTREAL, QUE.—DISCONTINUANCE OF RAILWAY SERVICE

Question No. 6—**Mr. Chevrier:**

1. Was an application made by the New York Central Railway Company to discontinue passenger service on its trains operating between Malone, New York and Montreal, Quebec?

2. Was an order made for discontinuance of the railway service? If so, on what date?

3. Was a petition filed on behalf of certain residents in the communities affected by this discontinuance, protesting the discontinuance of such train service? If so, with whom was it filed?

4. Were representations made to the New York Central Railway or the board of transport commissioners asking for a reconsideration of the decision? If so, what was the result of these representations?

5. Has an appeal been launched by the persons affected to the governor in council pursuant to section 53 of the Railway Act?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Yes.

2. Yes. September 17th, 1958.

3. Yes. The signatories of this petition placed it in the hands of the hon. member for Beauharnois-Salaberry who subsequently brought it to the attention of the Minister of Transport. It was later returned to the hon. member with explanatory comment.

4. Numerous representations were received by the Minister of Transport prior to issuance of the judgment of the board of tranpsort commissioners on November 4, 1958. All of these were brought to the attention of the board.

5. No.

HAY RIVER-YELLOWKNIFE ROAD, N.W.T.

Question No. 98—**Mr. Hardie:**

1. How many miles of road were constructed on the Hay River to Yellowknife road in the Northwest Territories, in the years 1956-57; 1957-58, and from April 1, 1958 to December 31, 1958?

2. What were the survey costs in each of these years?

3. What were the construction costs in each of these years, including clearing?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

		1956-57	1957-58	1958 (1 Apr.–31 Dec.)
1.	Miles of road built..... (cleared, graded, gravel or traffic gravel)	36 miles.....	56.7 miles plus 38.7 miles cleared only.	51.6 miles plus 46.3 miles cleared only.
2.	Survey costs.....	$121,800 for 111 miles completed survey.	$183,700 for 148 miles completed survey.	$38,300 for 24 miles completed survey.
3.	Construction costs..... (including supervision)	$1,018,500.....	$2,339,000 plus $217,500 for clearing.	$1,941,500 plus $260,200 for clearing plus $288,500 Kakisa river bridge.

CANADIAN FLAG DESIGNS

Question No. 107—**Mr. Howard:**

How many designs for a Canadian flag are on file with the government?

Answer by: **Hon. Henri Courtemanche (Secretary of State):**

1347.

ST. LAWRENCE SEAWAY—ENGINEERING INSPECTION

Question No. 110—**Mr. Winch:**

1. Did the St. Lawrence seaway authority during any course of construction under its jurisdiction appoint its own engineering inspection branch?

2. If so, who was named as chief inspector, who were the members of the staff, and on what date was this inspection branch established?

3. Did the St. Lawrence seaway authority also employ for inspection services the Warnoch Hersey Company, and if so, (a) on what date; (b) for what purposes; (c) to whom were the reports given; (d) are they still employed?

4. Was the inspection engineering staff relieved of their duties by discharge or resignation before completion of contracts on the seaway?

5. If so, (a) for what reason; (b) on what date; (c) who now does engineering and construction inspection on behalf of the seaway authority?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Yes.

2. The inspection section was established December 1, 1955.

Questions

Personnel	Period of Employment From	Period of Employment To	Resigned (R) Laid Off (L)
Chief inspector—			
J. Buchanan Stirling	19.12.55	28.11.58	L
Members of staff—			
R. Hunter	3. 7.56	28.11.58	L
R. Jalbert	5. 9.56	28.11.58	L
R. M. Houldsworth	1.10.56	Still employed	
G. Tremblay	22.11.56	15. 4.57	R
G. C. Hoag	28. 1.57	28.11.58	L
G. Leff	9. 4.57	18. 7.58	R
J. H. Clegg (*c*)	25. 4.57	28.11.58	L
R. R. Grant (*c*)	2. 5.57	31. 3.58	R
J. H. Drouin	8. 5.57	28.11.58	L
N. Csery	14. 5.57	12. 9.57	R
G. H. Handsley	22. 5.57	28.11.58	L
R. J. Vaucher	22. 5.57	Still employed	
J. A. Chartrand	1. 7.57	30. 5.58	R
J. M. Burgess (*c*)	15. 7.57	28.11.58	L
J. E. Dansereau	10. 9.57	15. 1.59	R
A. A. Lorrain	9. 9.57	31.12.58	R
F. VanZwyndregt	12. 9.57	28.11.58	L
Z. F. Mirwald	6.11.57	28.11.58	L
A. Bourgault	10. 3.58	Still employed	
L. Laflamme	26. 3.58	31. 1.59	L

(*c*) Monthly casual employee (others were regular employees).

3. Yes.

(*a*) Contract Date	(*b*) Project (Abbreviated Description)	(*b*) Type of Inspection Shop (S) Field (F)	(*d*) Still Employed
23. 4.56	Reinforcing steel and rock anchors for St. Lambert lock	S	No
23. 4.56	Reinforcing steel and rock anchors for Cote Ste-Catherine lock	S	No
23. 4.56	Reinforcing steel and rock anchors for Iroquois lock	S	No
27. 7.56	Testing cement	S	No
17.12.56	Rolling lift bridges	S	No
16. 1.57	Reinforcing steel for substructure of Cornwall south channel bridge	S	No
16. 1.57	Stoplogs, pick-up booms, etc.	S	Yes
6. 3.57	Sector gates	S & F	No
15. 2.57	Lock gate operating machines	S	No
26. 2.57	Wire rope fenders	S & F	No
12. 3.57	Vertical lift bridges at Caughnawaga	S & F	Yes
22. 3.57	Operating machines for valves	S & F	No
2. 4.57	Mitre gates	S & F	Yes
1. 4.57	St. Louis and Valleyfield vertical lift bridges	S & F	Yes
16. 4.57	Rolling lift bridges	F	No
7. 6.57	Vertical lift bridges for St. Lambert lock	S & F	Yes
16. 7.57	Western red cedar poles	S & F	No
11. 9.57	Swing bridge at upper Beauharnois lock	S & F	Yes
8.11.57	Bulkheads for locks	S & F	No
20. 8.57	Steel tunnel ribs, etc.	S	No

(*c*) Inspection reports were referred to the chief inspector, in quintuplicate, with distribution generally as follows:

Official records file (1)
Inspection section file (1)
" " working copies (2)
Structural engineer, electrical/mechanical engineer or engineer of construction, if applicable (1)

Questions

4. Staff was reduced by normal procedures as indicated in answer to question No. 2.

5. (*a*) Because of diminished volume of work, services were no longer required.
(*b*) As indicated in answer to question No. 2.
(*c*) R. W. Willis, structural engineer now supervises the work of inspection companies and of the remaining inspection staff.

TOBACCO, ALCOHOLIC BEVERAGES AND EDUCATION—PER CAPITA DISBURSEMENTS

Question No. 111—**Mr. McWilliam:**

What were the disbursements, on a per capita basis, in the last year for which statistics are available, for all provinces in Canada on each of the following: (a) tobacco; (b) alcoholic beverages; (c) education?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

Per capita expenditures:

(a) $32.85
(b) $46.84 1957
(c) $56.66

INDIAN ACT—REQUESTS THAT SECTIONS BE PUT IN FORCE

Question No. 117—**Mr. Howard:**

1. Have any provinces requested that section 95(2) of the Indian Act be declared to be in force? If so, which provinces, upon what dates and what action resulted therefrom?

2. Have any provinces requested that section 95(3) of the Indian Act be declared to be in force? If so, which provinces, upon what dates and what action resulted therefrom?

3. Have any councils of Indian bands requested that section 96A(2) of the Indian Act be declared to be in force? If so, which bands, upon what dates and what action resulted therefrom?

Answer by: **Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration):**

1. Four provinces, the Yukon and the Northwest Territories have requested and obtained an application of the provisions of section 95(2) of the Indian Act:

British Columbia	—	date of proclamation,	Dec. 15, 1951
Nova Scotia	—	" " "	Jan. 2, 1952
Ontario	—	" " "	July 1, 1954
Yukon Territory	—	" " "	Nov. 1, 1955
Manitoba	—	" " "	July 16, 1956
N.W.T.	—	" " "	June 27, 1958

In 1951, the lieutenant-governor in council of the province of Prince Edward Island formally requested to have section 95 of the Act brought into force in that province. However, no action was taken on this request as it would have had no meaning, as the liquor laws of the province of Prince Edward Island at that time made no provision for the consumption of intoxicants in a public place.

2. On March 25, 1957, the lieutenant-governor in council of Ontario petitioned the governor in council to proclaim subsection 3 of section 95 of the Indian Act as being in force in that province. On November 6, 1958, the governor in council issued a proclamation declaring section 95(3) of the Indian Act to be in force in Ontario.

3. The councils of the following Indian bands have requested that section 96A(2) of the Indian Act be declared in force in their reserves:

Band	Agency	Date
Missisaguas of Mud Lake	Rice and Mud Lakes	November 24, 1958
Six Nations of the Grand River	Six Nations	December 11, 1958
Chippewas of Nawash	Bruce	January 12, 1959
Sheshegwaning	Manitoulin island	January 13, 1959
Manitoulin island	Manitoulin island	January 15, 1959
Whitefish river	Manitoulin island	January 16, 1959
West Bay	Manitoulin island	January 19, 1959
Sheguiandah	Manitoulin island	January 20, 1959
Amalgamated Walpole island	Walpole island	February 2, 1959

Pursuant to subsection 3 of section 96A of the Indian Act, referendums are in the course of being held for the Missisaguas of Mud Lake, the Chippewas of Nawash and the Six Nations of the Grand River bands. In addition, referendums will be held for the five bands on Manitoulin island and the amalgamated Walpole island band as soon as arrangements can be made.

CANADIAN CONTRIBUTIONS TO COLOMBO PLAN

Question No. 125—**Mr. Boulanger:**

What contributions have been made by the Canadian government to the Colombo plan for each of the years 1954, 1955, 1956, 1957, 1958?

Answer by: **Hon. Sidney E. Smith (Secretary of State for External Affairs):**

Contributions made by Canada to the Colombo plan for the following fiscal years:

1953-1954	$25.4	million
1954-1955	25.4	"
1955-1956	26.4	"
1956-1957	34.4	"
1957-1958	34.4	"
1958-1959	35.0	"

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

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

710. Payments in connection with the movements of coal under conditions prescribed by the governor in council—further amount required, $630,000.

Supply—Items Passed

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

National Parks Branch—

National parks and historic sites services—

711. Construction or acquisition of buildings, works, land and equipment—further amount required, $2,850,000.

Forestry Branch—

Forestry Operations Division—

712. To provide for contributions to the provinces pursuant to agreements entered into or to be entered into, with the approval of the governor in council, by Canada with the provinces, of amounts equal to one-half of the amounts confirmed by the provinces as having been spent by them in establishing forest access roads and trails for the attainment of adequate fire protection as well as other aspects of forest management—further amount required, $1,682,000.

DEPARTMENT OF PUBLIC WORKS

Public Buildings Construction and Service—

Acquisition, construction and improvements of public buildings—

Construction, acquisition, major repairs and improvements of, and plans and sites for, public buildings listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended on individual listed projects—further amount required—

713. Ottawa, $200,000.

DEPARTMENT OF SECRETARY OF STATE

Special—

714. Expenses pertaining to the visit to Canada in 1958 of Her Royal Highness The Princess Margaret, $110,000.

HOUSE OF COMMONS

Thursday, February 19, 1959

The house met at 2.30 p.m.

STANDING ORDERS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. J. W. Kucherepa (High Park) presented the first report of the standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

ATOMIC ENERGY

EURATOM—TABLING OF AGREEMENTS WITH UNITED STATES AND UNITED KINGDOM

Hon. Sidney E. Smith (Secretary of State for External Affairs): Mr. Speaker, on February 10 I informed the house that I would be pleased to table a copy of the recently concluded agreement between the United Kingdom and EURATOM for co-operation in the peaceful uses of atomic energy. I have now received, and desire to table, two official copies of this agreement. Hon. members may also be interested in a broadly similar agreement which was concluded early last summer between the United States of America and EURATOM. I am now tabling two copies of that agreement as well.

FINANCE

REPORTED GOVERNMENT REQUEST FOR NAMES OF BORROWERS FROM CHARTERED BANKS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister a question. I am sorry I did not have an opportunity to give him notice, because it was brought to my attention just before the house opened. Would the Prime Minister comment on a press report that the government has requested a monthly report on the names of people and firms who are substantial borrowers from chartered banks?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I refer that question to the Minister of Finance.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I presume the hon. gentleman has reference to an article which appears in this week's issue of the *Financial Post*. The hon. gentleman nods assent. I may say that I saw this article a few minutes ago. There are several errors in it. The government is not asking for any of these returns. The inspector general of banks, pursuant to his duties under the Bank Act, requires certain returns to be made and returns have been made, including names of borrowers, for more than the last 15 years. There is nothing new about this. There are certain modifications which are under consideration at the present time, as I am informed by the inspector general of banks, but the practice which is referred to in this article as something new is something that has persisted, Mr. Speaker, for more than the last 15 years.

Mr. Pearson: Mr. Speaker, would the hon. minister advise the house, as soon as he can, what these modifications are which he has said are under consideration?

Mr. Fleming (Eglinton): Yes, Mr. Speaker, I will be glad to acquaint the house with those. I do emphasize again that this is a matter in which the inspector general proceeds under statutory powers and in the fulfilment of the duties which are laid upon him by statute. This is not a matter in which the government acts; but in due course I shall be very glad to give the house information as to any changes which may be made in the existing practice.

REQUEST FOR STATEMENT ON SHORT TERM BOND ISSUE

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Finance. Now that the government loan has been substantially oversubscribed, would the minister make a short statement either today or at some early date on the different aspects of the loan, as I requested yesterday in my remarks to be found at page 1140 of *Hansard*, including information such as commissions paid, cost of issuing, etc.?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, as I stated to the house yesterday afternoon the loan was substantially oversubscribed. Naturally that gives the government no little satisfaction, as I am sure it gives satisfaction to all hon. members of the house.

Inquiries of the Ministry

In the allocations $85 million of subscriptions for the 2¾ per cent bonds maturing 13 months hence have been accepted, and $115 million of subscriptions for the 3 per cent bonds maturing 21½ months hence have been accepted. The commission paid on the subscriptions for the first bonds is 10 cents and the commission paid on the subscriptions for the second bonds is 20 cents.

Mr. McMillan: Would the Minister of Finance say what effect the recent high interest yield of 4.76 per cent and 4.94 per cent on short term government bonds will have on the cost of money to the municipalities and the provinces?

Mr. Speaker: The hon. member does not expect the minister to answer an argumentative question of that kind. Really what he is asking for is an expression of opinion.

NATIONAL DEFENCE

CANADA-U.S.—JOINT PROCUREMENT OF DEFENCE EQUIPMENT

On the orders of the day:

Mr. Harold Winch (Vancouver East): Mr. Speaker, may I ask a question of the Minister of National Defence. Has the minister's attention been drawn to a report in this morning's Montreal *Gazette* as follows:

> General Charles Foulkes, chairman of the Canadian chiefs of staff committee, said today Canada and the United States have neglected to continue to develop joint procurement of defence equipment.
>
> It now is possible that we (Canada) may have to abandon the policy of developing and producing special Canadian equipment for the limited requirements of the Canadian forces and revive the provisions of the agreement of 1950 for economic co-operation with our partners (the U.S.) in joint production of defence requirements.

Can the minister inform the house if this statement, as reported in the press, by the chairman of the chiefs of staff committee, is the policy now established by his department and by the government?

Hon. G. R. Pearkes (Minister of National Defence): I have not seen the press report referred to. I will take this as notice and look into the question.

HEALTH INSURANCE

REQUEST FOR STATEMENT ON CONDITIONS GOVERNING FEDERAL GRANTS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare, notice of which I sent to his office this morning.

[Mr. Fleming (Eglinton).]

In the application or payment of federal grants to provinces which have agreed to come under the hospital insurance scheme, would the minister inform the house if the plan must apply on a compulsory basis in those provinces which have accepted, and also if it should cover the entire province and not be limited to a portion of the said province?

Hon. J. W. Monteith (Minister of National Health and Welfare): I wish to thank the hon. member for having given me notice of this question. The federal legislation requires that the insured services provided must be made available to all residents of the province. This does not mean that insurance must be compulsory for all persons in the province. However, under the agreements concluded to date, all provinces with the exception of the province of Ontario have made their programs compulsory for all residents. Ontario has a compulsory requirement for a large sector of the population, and makes the services available to the remaining residents on a voluntary basis. In concluding any agreement with a province we would, of course, expect some assurance that a large proportion of the population would be covered by the program as was the case in Ontario.

In regard to the question whether the program must cover the entire province, it of course goes without saying that if the program is universally available to all residents it cannot be limited to one sector or region of a province.

Mr. Robichaud: In view of the answer given, would the minister inform the house whether a province will qualify for its share of the federal grant if a municipality within that province refuses to contribute to the provincial share?

Mr. Monteith (Perth): I assume the hon. member is referring to the province of New Brunswick. The federal government and the province of New Brunswick have not as yet signed an agreement. When such an agreement comes to be signed, the factors required to bring the agreement within the context of the over-all act will be taken into consideration.

NATIONAL CAPITAL PLAN

OTTAWA RIVER BRIDGE—STATEMENT BY CHAIRMAN OF COMMISSION

On the orders of the day:

Mr. Alexis Caron (Hull): I wish to direct a question to the Prime Minister. When Major General Kennedy, chairman of the national capital commission, spoke about the

bridge which is badly needed was he reflecting the policy of the present government?

Right Hon. J. G. Diefenbaker (Prime Minister): I do not know what General Kennedy has said with respect to the bridge—

Some hon. Members: No bridge.

Mr. Diefenbaker: —therefore I am unable to answer the question in any way.

[*Later:*]

Mr. Caron: Mr. Speaker, my question is supplementary to the one I asked the Prime Minister earlier. The Prime Minister said a while ago that he had not received a report of Major General Kennedy's speech. Would he look at that report and answer at a later date?

Right Hon. J. G. Diefenbaker (Prime Minister): Yes, Mr. Speaker, I shall be glad to do that.

POWER

COLUMBIA RIVER—CANADA-UNITED STATES TALKS ON DOWNSTREAM BENEFITS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. As the format of my question is identical with that used by the present Minister of Justice when he was a member of the opposition, I trust it will be in order. My question arises out of a government press release in this morning's papers stating that satisfactory progress has been made at Canada-United States talks on downstream benefits in sharing the power potential of the Columbia river.

Would the minister inform the house if this press release is correct; who is responsible for the same, and whether he has any further information he can give to the house at this time on this important matter.

Hon. Sidney E. Smith (Secretary of State for External Affairs): I thank the hon. member for having given me notice of his intention to ask this question. With respect to the propriety of asking this question, I have some doubt as to whether I am obliged under the rules of the house to answer a question as to the validity or correctness of a newspaper report. Having registered that doubt, however—

Mr. Speaker: If the minister raises the point of order, the first part of the question is objectionable and contrary to the rule, but the question goes beyond that and I allowed it to pass on that account.

Mr. Herridge: This was the habit of the Minister of Justice in former days.

Mr. Fulton: It never was. However, the hon. gentleman is accustomed to taking liberties, so perhaps he should be allowed to take this one.

Mr. Smith (Hastings-Frontenac): Mr. Speaker, with respect to the second part of the question, if that report be true, if the press release came from the international joint commission, I have no further comment.

CANADIAN BROADCASTING CORPORATION

MONTREAL—INQUIRY AS TO PRESENT STRIKE POSITION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the minister who answers for the Canadian Broadcasting Corporation. In view of the rejection this morning by the unions of what the C.B.C. described as its ultimate offer, can the minister bring us up to date on the present position of this particular labour situation?

Hon. J. M. Macdonnell (Acting Minister of National Revenue): Mr. Speaker, as the hon. gentleman is apparently aware, negotiations have been taking place during the past few days in Ottawa between representatives of the unions and the C.B.C. The representatives of the unions left Ottawa early this morning for Montreal to review their position with the union membership in the light of these discussions.

According to last reports the union membership indicated that they would not accept the proposals made by the C.B.C. and it is reported that they plan another meeting within a couple of days.

INQUIRY AS TO WIRE-TAPPING OF UNION HOTEL ROOMS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question on the same topic to the Minister of Transport. Can the minister indicate if he is going to report on requests made that the C.N.R. check the possibility that rooms in the Chateau Laurier used by the unions negotiating with the C.B.C. had been wire-tapped?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I thank the hon. member for having given me notice of his intention to ask this question. Immediately upon receiving notice I contacted Mr. Mann, the manager of the Chateau Laurier hotel, and he tells me that neither he nor any of the managerial staff has any knowledge of such a procedure having taken place, nor do they think it would be possible.

Inquiries of the Ministry

Mr. Speaker: May I say about questions of that kind that when hon. members choose to repeat statements which they take from the press as worthy of consideration in the house, they take the responsibility themselves for those statements.

Mr. Fisher: Mr. Speaker, in view of your remarks I think I should explain that I did not take this information from the press. The question was brought to my notice by the people involved, and I took it to the Minister of Transport as I thought he was the appropriate minister.

COMMONWEALTH RELATIONS

MARLBOROUGH HOUSE, LONDON—CANADIAN CONTRIBUTION TO RECONSTRUCTION AND MAINTENANCE

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to direct a question to the Minister of Finance. The question is based on a press release by the Prime Minister concerning Marlborough House in London being made available to accommodate the staff of the commonwealth economic committee, and as a permanent centre for economic consultations within the commonwealth. My question is this. Is the Canadian government making any contribution to the cost of reconstruction and maintenance of Marlborough House?

Hon. Donald M. Fleming (Minister of Finance): No, Mr. Speaker.

LABOUR CONDITIONS

NEWFOUNDLAND-NOVA SCOTIA—GOVERNMENT ACTION FOLLOWING LAY-OFFS

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to direct a question to the Minister of Mines and Technical Surveys. In view of today's news report appearing in the *Globe and Mail* that at least 550 men will be out of work on March 31 on Bell island, Newfoundland, when the Dominion Wabana ore division of Dominion Steel and Coal Corporation cuts production, and in view of the same difficulties in Nova Scotia in respect of the same parent company, has the government as yet come to any decision in these matters?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, I am grateful to the hon. member for having given me notice of his question. I have seen the same report in the *Gazette*, but my department or the dominion coal board has not received any confirmation of it. As to the last part of the question, the answer is no.

[Mr. Hees.]

UNEMPLOYMENT INSURANCE

INQUIRY AS TO EXTENSION OF BENEFITS TO EX-PRISON INMATES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to address a question to the Minister of Labour, of which I sent notice this morning.

Has the minister's attention been drawn to the January newsletter of the John Howard society of British Columbia in which it congratulates the unemployment insurance commission for recommending the required amendment to the Unemployment Insurance Act to make prison inmates eligible for benefits upon their release, and indicating that such an amendment will be introduced at the present session? Can the minister make any comment on this statement in the John Howard society newsletter of British Columbia?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I wish to thank the hon. member for giving me notice of his intention to ask this question and for drawing my attention to this newsletter. I feel, Mr. Speaker, that it would be improper for me at this time to make any comments or to indicate in any way the amendments which are expected to be brought in to the Unemployment Insurance Act. However, I wish to assure the hon. member that this particular aspect of unemployment insurance, or the possibility of such an amendment, is being given very serious consideration.

IMMIGRATION

MR. AND MRS. RAOUL ARTHUR ROLLING—STAYING OF DEPORTATION ORDER

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Will the hon. lady give an assurance that no deportation proceedings will take place in the Rolling case until there has been an opportunity to review the matter in the house when it is no longer sub judice?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I am sure the hon. member knows the matter is before the courts. I do not think I should make any comment on it.

Mr. Pickersgill: Mr. Speaker, I am rising on a point of order. Similar questions were asked of me by the present Prime Minister and by the Minister of Justice in the Hanna case when I occupied the post the hon. lady

now occupies. I am sure the hon. lady could give the assurance without any impropriety.

Mr. Speaker: Even if she could, I think it is not within the practice of the house for a member to comment on the willingness or unwillingness of a minister to answer a question.

AIR TRANSPORT

CANADIAN PACIFIC AIR LINES—SERVICE BETWEEN VANCOUVER AND PRINCE RUPERT

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Transport. I hope the notice reached him in sufficient time. Have any representations been made recently by the city of Prince Rupert or any other similarly interested groups protesting the announced action of Canadian Pacific Air Lines not to provide direct flights between Vancouver and Prince Rupert? If so, is any action contemplated to ensure that Prince Rupert receives such a direct air service?

Hon. George H. Hees (Minister of Transport): I want to thank the hon. member for giving me notice of his intention to ask this question. I received the notice just before coming into the house and did not have an opportunity to check with the air transport board. I will do so and report to the hon. member tomorrow.

PUBLIC SERVICE

CIVIL SERVICE COMMISSION—INQUIRY AS TO APPOINTMENT OF CHAIRMAN

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I wonder whether the Prime Minister can inform the house when a chairman of the civil service commission is likely to be appointed.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, he is likely to be appointed at any time.

GRAIN

WHEAT—INTERIM PAYMENT ON 1957-58 CROP

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce arising out of the urgent need to bolster prairie farm income. Can the minister say when the long overdue interim payment on the 1957-58 wheat crop is likely to be announced?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, it is likely to be announced at any time.

Mr. Argue: In view of this most indefinite and unsatisfactory answer, can the minister inform the house whether the wheat board's 1957-58 account has now been closed out?

Mr. Churchill: The accounts with regard to wheat, oats and barley for 1957-58 are all in very good shape. I can assure the hon. member that there will be an interim payment and that it will be made in due course.

Mr. Argue: Would the minister answer my question with respect to whether the account has been closed out so that payment may be made forthwith?

Mr. Churchill: I just informed the hon. member that the accounts with regard to wheat, oats and barley are all in good shape. They have not yet been made final, but there will be an interim payment on wheat as in other years. The general wheat picture continues to be good, as it was last year.

ST. LAWRENCE SEAWAY AUTHORITY ACT

AMENDMENT TO INCREASE LIMIT ON AMOUNT TO BE BORROWED

The house resumed, from Wednesday, February 18, consideration in committee of the following resolution—Mr. Hees—Mr. Rea in the chair:

That it is expedient to introduce a measure to amend the St. Lawrence Seaway Authority Act to provide that the authority, with the approval of the governor in council, may from time to time borrow money from Her Majesty or otherwise to an aggregate that shall not at any time exceed $335 million in lieu of $300 million which it is already authorized to borrow by section 13 of the act.

Mr. Chevrier: Mr. Chairman, before I deal with the resolution proper perhaps I might be allowed to digress for a moment to deal with a matter which, while perhaps not strictly germane to the resolution, is none the less related substantially to it. I, of course, should like to refer to the visit which Her Majesty the Queen and the President of the United States are going to make to celebrate the opening of the St. Lawrence seaway on June 26 of this year. I should like to say a word about the origin of that matter and how it came about.

Some time in 1956, or early 1957, I believe, the St. Lawrence seaway authority invited His Excellency the Governor General to make a tour of the navigational facilities and the works of the seaway extending from the Montreal area to the international section. During the course of the tour His Excellency said to me, "What would you think if Her Majesty the Queen were invited to open the facilities of the St. Lawrence seaway?" I of course immediately said that I thought the

idea was an excellent one. During the course of the day the press were advised of it, and at a luncheon that was given in honour of His Excellency in the city of Cornwall that day a discussion of the matter followed. As I understood from His Excellency that he had already spoken to the then prime minister—

Mr. Fulton: Mr. Chairman, I rise on a point of order. Although I cannot lay my hand on the rule at the moment, I am quite sure I can do so in a short time. However, I am clear in my recollection that it is not in order to introduce the name of His Excellency into debate. It seems to me that my hon. friend is attempting to do that. He is not merely referring to His Excellency, which would be one matter, but he is referring to His Excellency with respect to a matter of government business. This is a reference which is clearly out of order.

Mr. Chevrier: So that there may be no difficulty about what my intention is, Mr. Chairman, perhaps I could now refer to what the former prime minister did and then I would be in order, if there is any doubt about what I am about to say. It followed thereafter that the former prime minister, I believe, announced in the house that an invitation had been forwarded to Buckingham palace and had later been accepted. I do not know why the Minister of Justice interrupted me when I was making this interjection.

Mr. Fulton: Because the hon. member was out of order.

Mr. Chevrier: I would like now to refer to the statement the Prime Minister made when he announced the visit of the President of the United States to the opening ceremonies in Montreal. I took the occasion at that time to commend the government, and I want to repeat what I said then. I also want to add this. I think it was a gracious gesture on the part of the President of the United States to consent to come to the city of Montreal where, in his presence and that of Her Majesty, the facilities will be opened to navigation.

I also want to say, if I am not interrupted, what I said on a former occasion, namely that we in the seaway authority some two or three years ago had given consideration to this very matter. We had not, of course, discussed the details because we could not have arrived at a decision on them at the time. However, we had hoped that it would be possible to have two official openings, one in the purely Canadian section at Montreal and one in the international section.

I can see now why that would be difficult. I can see now that it is difficult for the President who, after having presided with Her Majesty at the opening of the facilities at Montreal, would be obliged to travel for almost one day on the royal yacht in order to reach the international section. However, I am pleased to note that it will be possible for Her Majesty the Queen to visit the facilities on the Canadian side in the international section, and perhaps also on the United States side going over to Cornwall, Ingleside, Long Sault, Morrisburg and Iroquois. I have no doubt that the hon. member for Stormont was successful in making representations to the government as, I am sure, was the hon. member for Grenville-Dundas. I am sure the representations of the hon. member for Stormont, to which was added the charm of the hon. member for Grenville-Dundas, had no little to do with this visit in that area.

Before getting back to the resolution, Mr. Chairman, there is one comment I should like to make about the statement the minister gave to the house yesterday, as found at page 1162 of *Hansard*. Anyone looking at this statement will find that under the title "Date Decision Taken" there are a number of items which are referred to as the dates upon which certain decisions were taken with reference to an increase in expenditure. Most of those dates are in 1955 and 1956, at least prior to the present government being in office. There is one matter, however, with respect to which the minister did not refer to as a decision having been taken during that time, and it was the decision with respect to the royal visit.

There are other matters to which my hon. friend referred and to which I should like to draw his attention as courteously as I can. While the decisions mentioned here were taken earlier and by another administration, none the less the projects that have been put into effect and the opening of the subsequent projects are events that have taken place during the present administration. I do not remember that at any of these official openings—and I have three of them in mind at the moment—the minister made any reference to decisions having been taken by the former government while he was opening these new facilities. However, I bring that matter to his attention so that perhaps in the future, when he is opening other facilities in the international section or elsewhere, he will be reminded that decisions were taken prior to the time the present government came into office.

I now come to the resolution which is before us and which seeks to amend section 13 of the St. Lawrence Seaway Authority Act in order to increase from $300 million to

$335 million the amount of money to be borrowed. In other words the resolution, with the approval of the governor in council, seeks to increase the borrowing by that amount. The first question that comes to mind in a discussion such as this one is obviously the following. How is it that a project which was to have cost $246 million has now reached the point that it will cost at least $335 million and perhaps more? The house is entitled to know the answer to this question. I should like to direct my attention exclusively to this matter, and to deal with the estimates of costs of the seaway and power project as envisaged by Canada.

First I should like to say that the seaway and power project in its present phase has been under investigation now since 1922. At that time it was referred to the international joint commission by both Canada and the United States, and during the 30 years which followed—the reference that I made to 1922 should have been 1920—between 1920 and the final Canada-United States arrangement concluded in August, 1954 this navigation project was studied by economic, international, engineering and other bodies, as well as by special boards in both Canada and the United States. All these bodies, national and international, economic and engineering, during all those years came to the conclusion that the project for the development of power and navigation on the St. Lawrence was not only feasible but practicable.

Then in 1932 Canada and the United States signed the Washington treaty. It provided for a 27-foot waterway from Montreal to the head of the lakes, and was known as a two-stage development. That is to say, there was to be a development of power in the international section in two stages, one at Cornwall and one at Crysler island, with two canals, one on the United States side to circumvent the main dam at Cornwall and the other on the Canadian side to circumvent the other dam at Crysler island. The cost of this project was to be divided equally between Canada and the United States.

Then there came what was known as the 1941 agreement. I should have said that the 1932 agreement was not ratified by the United States Senate and fell by the wayside. The 1941 agreement provided also for the development of water power resources and navigation facilities from Montreal to the head of the lakes, this time with a one-stage power development but with a control dam at Iroquois, and with both canals on the United States side of the line. When Canada decided to attempt to construct the seaway from Montreal to lake Erie as a Canadian project, the project known as the 238-242 single stage control scheme was adopted and considered as the basis for the power development in the international section.

The entire navigation and power project as contemplated in the 1941 agreement was described in a brochure published by the Department of Transport in 1949, which I hold in my hand. It is entitled "The Great Lakes-St. Lawrence Deep Waterway". It was prepared by the general engineering branch of the Department of Transport and was signed by Guy A. Lindsay, engineer in charge. It contains a detailed explanation of the seven sections of the St. Lawrence seaway from the connecting channels in the upstream area down to the Lachine section opposite Montreal, together with a detailed statement of the estimate of costs as prepared by that engineer. This document was made public by the Department of Transport and was circulated for many years by the department.

The estimates of cost of the seaway and power project from Montreal to the head of the lakes based upon construction prices as of April 1949, which were made at the time by the general engineering branch of the Department of Transport, were as follows: Works solely for navigation, $67 million; works primarily for power, $166 million; works common to power and navigation, $187 million; total works common to power and navigation, $421 million. These estimates are based upon a navigation depth of 27 feet with locks of the same dimensions as those in the Welland canal, and with the sills designed for a depth of 30 feet.

Here I would like to make two points. First I would like to say that under the 1941 agreement, which I mentioned earlier, the navigation facilities were all on the United States side of the line. Second, provision was made for the continuance of 14-foot navigation in Canada in so far as the Ontario St. Lawrence canals were concerned. I would further like to point out at this stage that the cost for navigation facilities at that time was estimated at $67 million, at 1949 prices, while on the other hand power works and works common to navigation and power which were to be the responsibility of power were fixed at $353,932,000.

In December of 1949 there was prepared by the engineering branch of the Department of Transport an estimate of the cost, at April 1949 prices, of the 238-242 single stage control scheme with 27-foot navigation channel in Canada instead of in the United States, and in this estimate the cost was fixed at $106,288,000. On the other hand, the estimate of the power and common works was fixed at $344,910,000. Then later, in 1951,

these estimates were revised to the December 31, 1950 cost level. In this case the estimated cost of the navigation works was increased to $119,575,000, and that of the power and common works was increased to $389,025,000. In September of 1952 a comparative estimate was prepared of three alternative canals based on December, 1950 price levels, and the canal selected for all practical purposes, providing for twinning of locks at Cornwall, was estimated to cost $119,515,000.

In 1951 Canada negotiated an agreement with Ontario, which agreement contemplated the development of power in the international section of the river. By article 2 of this agreement Canada said it would do all in its power to obtain the approval of the international joint commission of an application to be made by Ontario, in a form to be approved by Canada for works to develop the power resources in the international section of the St. Lawrence river in accordance with the plan known as the single stage control scheme 238-242. The agreement was approved by parliament and the application duly launched by both countries.

I would like to refer at this stage to the application which was made by Canada dated Ottawa, June 30, 1952, signed by the then secretary of state for external affairs, Right Hon. Louis St. Laurent, and ask the house to look at paragraphs 1, 2, 3 and 4. I have not time to deal with them, but reference should be made particularly to that part of paragraph 8 which deals with the manner in which the work shall be done in the international section. What I want to bring to the attention of the house is that this application made by the government of Canada in June of 1952, in so far as section 8 is concerned, compares almost identically with the manner in which the 238-242 single stage control project was described by Mr. Lindsay in his brochure, referred to earlier, entitled "The Great Lakes-St. Lawrence Deep Waterway".

In August of 1952 there was prepared, again by Mr. Lindsay, an estimate of the 238-242 single stage control project for power alone and the navigation works, this time on the Canadian side but to be done at a later date. This estimate totalled $402,677,000 excluding interest during construction. In 1952 the United States corps of engineers, the body responsible for the construction of the seaway on the United States side and the body also responsible for the operation of the Panama canal, submitted estimates to the international joint commission of the cost of power development in the international section. At United States prices as at December, 1950 this estimate was in the order of $493,620,000 excluding interest during construction.

On August 10, 1954, the power authority of the state of New York issued a brochure containing the estimate made by the consulting engineers engaged by them, Messrs Sanderson and Porter of New York city and Messrs Uhl, Hall and Rich of Boston. These estimates indicated a total construction cost of $561,730,000 divided as follows between the power authority of the state of New York and the Hydro-Electric Power Commission of Ontario: the power authority, $310 million and Ontario hydro, $251 million.

Appendix C of the international joint commission order of approval dated 1932—the order of approval of the power contract in the international section—provides that the cost of power works is to be divided equally between Ontario Hydro and the power authority of the state of New York; and while at the moment there are no final figures available it would appear that the final cost excluding interest during construction will exceed $650 million. Thus in so far as this aspect of the project is concerned I say that as the actual construction of the power project will not be completed until 1960, it would appear that the construction costs exclusive of interest and financing will be at least $600 million as compared with the estimate made by Mr. Lindsay, to which I referred earlier, of $402,677,000.

Now I should like to deal with the purely navigational aspect of the St. Lawrence seaway. The act to establish the St. Lawrence seaway authority was assented to on December 21, 1951 and it provided for the financing of an all-Canadian seaway from Montreal to lake Erie up to, but not exceeding, $300 million. At the time the act was passed it was hoped that an all-Canadian seaway could be built, but provision was made for United States participation. As it was not known at the time whether or not the United States would participate, the $300 million figure could only be approximate. The latest estimate of cost available at that time indicated that the figure would be $260,328,000 to which should be added, of course, the $15 million which Canada agreed to contribute toward channel enlargement in the upper regions of the St. Lawrence in accordance with the exchange of notes dated June 30, 1952, which brings the cost at that time up to $275,328,000.

On December 11, 1951 I stated in the House of Commons—and this will be found at page 1787 of *Hansard*—

> It is estimated that the navigation features of the project will cost $245,993,000, which is broken

down as follows: In the Lachine section for navigation alone, $98,229,000; in the Soulanges section, $37,116,000; in the lake St. Francis section, $2,513,000; in the international section, $106,833,000, and in the Welland ship canal, $1,302,000, making a total of $245,993,000.

Mr. Walker: Would the hon. gentleman permit a question which I think is appropriate at this time? Would he be good enough to explain why his original estimate for the Welland canal should have been $1,302,000 when the final cost under his administration proved to be more than $27 million?

Mr. Chevrier: If the hon. gentleman will allow me, I should like to deal with that question at the end of my remarks because I have a portion which deals with that matter. However, I would remind him now, when he says that this was a matter which was dealt with during my administration, that a portion of the work on the Welland canal was done under the administration of which I was a member, and a portion was done under a later administration. I thank the hon. member for his intervention, but perhaps I might be allowed to deal with it at the end of my remarks.

As I pointed out, I have put on record on *Hansard* the estimate I gave to the house in 1952. This estimate was made by Mr. Lindsay, who furnished the figures to me, and it represented the cost of the seaway from Montreal to lake Erie in terms of the agreement with the province of Ontario. I should like to table this estimate. It is entitled "Extract from a report entitled 'Great Lakes-St. Lawrence Deep Waterway—a brief description', by Guy A. Lindsay, director, special projects branch, Department of Transport, Ottawa, December 22, 1951." It places the cost of the Canadian seaway on the basis of the 1951 agreement with Ontario at $245,993,000. With the agreement of the committee I should like to table this estimate.

The Deputy Chairman: Does the hon. member wish this to be printed in *Hansard*?

Mr. Chevrier: I do.

The Deputy Chairman: Has the hon. member the permission of the committee to put this document on record in *Hansard*?

Some hon. Members: Agreed.

Mr. Chevrier: The statement is as follows:

SCHEDULE X

ESTIMATED COST TO COMPLETE 27 FT. NAVIGATION PROJECT WITH DEVELOPMENT
of
2,200,000 H.P. IN THE INTERNATIONAL RAPIDS SECTION
(December 1950 Cost Level)

	Joint Project with United States 1941 Agreement			All Canadian Waterway to Lake Erie
	Canada	United States	Total	
I. TOTAL COST TO COMPLETE PROJECT				
Upper lakes channels		$ 88,695,000	$ 88,695,000	
Deepening Welland ship canal	$ 1,302,000		1,302,000	$ 1,302,000
St. Lawrence river				
Thousand islands section		1,593,000	1,593,000	1,593,000
Int. rapids section	81,067,000	393,627,000	474,694,000	508,600,000
Lake St. Francis section	2,513,000		2,513,000	2,513,000
Soulanges section	37,116,000		37,116,000	37,116,000
Lachine section	98,229,000		98,229,000	98,229,000
TOTAL COST TO COMPLETE	$220,227,000	$483,915,000	$704,142,000	$649,353,000
II. COST CHARGEABLE TO NAVIGATION				
Case (a) assuming total cost of "works common to navigation and power" chargeable to power	$ 20,632,000	$284,320,000	$304,952,000	
Case (b) assuming total cost of "works common to navigation and power" chargeable to navigation	$126,609,000	$390,296,000	$516,905,000	
Case (c) "all-Canadian waterway" on basis of 1951 agreement with Ontario				$245,993,000

Special projects branch,
Department of Transport,
Ottawa, December 20th, 1951.

Guy A. Lindsay,
Director.

Extract from report entitled "great lakes—St. Lawrence deep waterway—A brief description", by Guy A. Lindsay, director, special projects branch, Department of Transport, Ottawa, December 22, 1951.

It should be noted that this amount does not include (a) $1,593,000 for the Thousand islands section; (b) interest during construction; and (c) that Mr. Lindsay assumed that Ontario would pay about $13,500,000 toward the cost of the seaway in lieu of the construction of the 14-foot navigation canal. It should also be noted that the estimated cost of the Lachine section, $98,229,000, was based upon a canal for navigation alone on the Montreal side of the river and included vertical lift bridges at the C.P.R. crossing at Lachine rapids and at the Montreal end of the Victoria bridge, but did not include the cost of the vertical lift bridge to be built at the Mercier bridge crossing of the seaway, as it was assumed that this was to be done by the province of Quebec.

As a result of the exchange of notes between Canada and the United States the estimates for both power and navigation required modifications in two important aspects. First, power costs were reduced by $15 million by reason of Canada's contribution; and second, Canada agreed that power, at least as far as the United States was concerned, should not bear the equivalent cost of providing 14-foot navigation, which was $13,500,000.

In October, 1952, Mr. Lindsay prepared another estimate of the cost of the seaway from Montreal to lake Erie based on the December, 1950, construction price level. Here is the summary:

Lachine section, navigation alone, north side	$ 98,229,000
Soulanges section	37,116,000
Lake St. Francis	2,513,000
International rapids	119,575,000
Thousand islands	1,593,000
Welland ship canal	1,302,000
	$260,328,000

To this must be added the amount Canada agreed to pay for power, $15 million, making a grand total of $275,328,000.

The international joint commission order of approval dated October 29, 1952, contained a provision in appendix A, subsection (a), in respect to channel enlargements which was ultimately, by reason of a compromise that had been made with the United States, to reduce the cost of power but to increase the cost navigation. I quote in part from appendix A, subsection (a), which reads as follows:

> Downstream from the power houses channel enlargements will be carried out for the purpose of reducing the tailrace water level at the power houses.

Although the United States during the 1952 negotiations endeavoured to persuade Canada to agree to assume a large portion of the cost of the so-called common works as navigation charges, Canada agreed to the payment of $15 million.

The Chairman: Order. I regret to interrupt the hon. member, but his time has expired. Is it the pleasure of the committee to permit the hon. member to carry on?

Some hon. Members: Agreed.

Mr. Chevrier: I thank the committee for this courtesy. I shall endeavour not to abuse it, but I have some further remarks to make and I should like to deal with the question raised by the hon. member for Rosedale.

I had stated that although the United States during the 1952 negotiations endeavoured to persuade Canada to agree to assume a large portion of the cost of the so-called common works as a navigation charge, when the Wiley-Dondero Act was passed that legislation specifically limited the work which the United States corporation was to do as a works solely for navigation. The result was that the United States not only declined to assume one-half the amount of $15 million which Canada had agreed to pay the power entities, but also endeavoured to argue that notwithstanding the precise language of the international joint commission order of approval from which I have just read respecting tailrace excavation the power entities should be called upon to undertake extensive dredging operations north and south of Cornwall island, which were required for navigation or for the maintenance of the natural distribution of flow between the north and south channels around Cornwall island.

The matter was the subject of prolonged discussions between Canada and the United States, between the St. Lawrence seaway authority and the St. Lawrence development corporation, the United States entity, between the New York state power authority and Ontario hydro; and in the course of these discussions it became clear that the United States desired to place Canada in the position of being forced to make an application to the international joint commission in the event that Canada desired at a later date to construct locks and a canal in Canada in the vicinity of Cornwall, and thereby to complete a 27-foot canal in Canada from Montreal to Lake Erie.

The result of these discussions I should like to summarize and put on *Hansard*, if I may. The summary is as follows. (1) an arrangement that the St. Lawrence seaway authority and the St. Lawrence development corporation would assume responsibility for the channel enlargements north and south of Cornwall island; (2) the two seaway authorities would undertake as nearly as possible

responsibility for and the cost of construction of the enlargements in their respective countries; (3) it was essential that Canada protect at this time her future position and provide also at this time for construction of a 27-foot channel to the proposed entrance of the future canal in Canada between lake St. Francis and the pool above the power dam and the carrying on of such channel enlargements north and south of Cornwall island as to maintain the distribution of flow between the north and south channels as well as to reduce the velocity of flow at the entrance of the 27-foot canal in Canada; (4) each of the power entities would contribute $6 million or a total of $12 million to the cost of such enlargements, and an improvement of about one foot in the head was to be anticipated when the enlargements had been completed; (5) these channel enlargements north and south of Cornwall island were extensive in character and had the effect not only of reducing the cost of the power development that was originally anticipated when Canada made the agreement with Ontario in December of 1951, but also materially increased the cost of the seaway both to the United States and to Canada.

The result of these discussions was that the increased cost amounted to $35,874,000 less the $12 million paid by the power entities which, roughly speaking, left a balance of $24 million; and both the St. Lawrence seaway authority and the St. Lawrence seaway development corporation, the United States entity, agreed to share this balance of $24 million by each paying one half. The estimated cost of the seaway was therefore increased by $12 million.

At this point, I pose the following question. How was it that this was not anticipated in either the 1932 or 1941 agreements? It was. This matter of downstream dredging is clearly contained in the estimates prepared by Mr. Lindsay, but it is contained there as a work common to power and navigation rather than as a work which would be the responsibility of navigation alone.

In so far as the 1951 discussions were concerned, it was not anticipated at the time that this work should be done in the south channel opposite Cornwall island, because the canal was entirely in Canadian territory. Now I should like to go a step farther, though I hesitate to trespass further on the time of the committee.

Some hon. Members: Go ahead.

Mr. Chevrier: I am sure most hon. members of this committee have visited the site of the works and will remember the tremendous power house which is situated in the middle of the river, and which is partly in Canada and partly in the United States. Downstream from the power house are two channels, one being the north channel which is in Canadian territory and the other being the south channel which is partly in Canada and partly in the United States. It is in the south channel that most of this work to which I have been referring in the amount of $35 million was anticipated when this report was made.

The point I wish to make is this. The flow of the water in the north channel is 33⅓ per cent, entirely in Canadian territory, and the flow of the water is 66⅔ per cent in the south channel part of which is in Canada and part of which is in the United States. It became obvious during the course of the discussions that the dredging to the extent I have mentioned in the south channel would disturb the flow in boundary waters, and when that dredging was complete what would happen would be that instead of having a flow of 33⅓ on the one side and 66⅔ on the other, the dredging would make the flow of the water 80 per cent in the south channel as opposed to 20 per cent in the north channel.

We—and when I say we I mean by that the seaway authority, the engineers, the government and the committee established representing various departments of government—came to the conclusion that the only thing to do at the time was to maintain the flow of the water in both channels, because if that were not done then at a later date it would be necessary to make an application to the international joint commission to obtain permission to change the flow.

Over and above the necessity I have mentioned here, it became obvious that to maintain the flow certain other works had to be done in the north channel. It was suggested at that time that a huge hole be dredged in the north channel in order to restore the balance. All of us took the view at the time that Canada would determine the manner in which the flow of water in the north channel was to be maintained, and Canada determined that the flow of the water was to be maintained by dredging a 27-foot channel in the north channel which would lead to a future canal on the Canadian side, and that also added substantially to the cost.

During the summer of 1952 another event occurred. I leave for a moment the purely navigational aspect to state that while—

Mr. Pallett: It is taking quite a while.

Mr. Chevrier: Well, I am sorry it is taking quite a while and I am grateful to the committee for having allowed me to take quite a while, but I should like to explain at some length what actually took place.

Mr. Hees: Go ahead.

Mr. Chevrier: While the international joint commission hearings were taking place during the summer of 1952, the Canadian National Railways had become alarmed at the effect which construction of the seaway on the Montreal side of the river, and particularly at the effect which a vertical lift bridge at the Montreal end of Victoria bridge, would have on their Point St. Charles yard and the traffic interchange with Montreal harbour. In this respect the railway officials had somewhat changed from the position taken by them when the Lachine section was being investigated for power and navigation, in a report prepared by several engineers and tabled in this house, dated October 15, 1948, to which I made reference several times in the house in earlier debate and which deals substantially with the development of power and navigation in the Lachine section.

I say that the C.N.R. officials had become alarmed at that time, and on January 15, 1953 the president of Canadian National Railways wrote the then minister of transport and indicated the estimated cost of adjusting the C.N.R. railway facilities to meet seaway conditions on the Montreal and St. Lambert sides, respectively, to be in the case of the St. Lambert side $6 million and in the case of the Montreal side $18 million.

As the committee know, we placed the canal on the St. Lambert side. The subsequent ideas of Canadian National Railways on Victoria bridge were changed materially from those indicated in the letter dated January 15, 1953. And in the press recently, in fact in an issue of the Montreal *Gazette* dated January 24, 1959, there appeared a statement dealing with some meetings which had taken place on the south shore in which the engineer of Canadian National Railways admitted, according to this press statement, that the over-all cost of the bridge may be closer to $30 million. I thought this matter should be brought to the attention of the committee.

Yesterday when the minister spoke he placed on record the budgets which are required to be tabled by the St. Lawrence seaway authority, in accordance with the Financial Administration Act, schedule D I think it is, of that act under which the St. Lawrence seaway authority falls. The minister pointed to the fact that the St. Lawrence seaway authority has no right to award contracts for any sum greater than $50,000, but that under the Financial Administration Act and under the St. Lawrence Seaway Authority Act all these contracts must be approved by the governor in council and by treasury board. Pursuant to the responsibilities provided by parliament, the St. Lawrence seaway authority filed each year the budget required for the over-all expenditures, and they can be found at page 1161 in the statement made by the minister. Two of those budgets, I believe, were filed while I was still the chairman of the seaway authority, and two others after I had left the seaway authority. The fifth has not yet been filed, although the minister did give the amount as $329 million. Therefore, from the first budget which was tabled in the house and the estimates which were passed in the house, the house has had an opportunity of knowing, seeing and examining in detail the expenditures of the seaway authority which went from $205 million in 1955 to $329 million this year.

May I say one word about the United States legislation. It authorized the St. Lawrence seaway development corporation to build navigation facilities on the United States side in the international section to the extent of $105 million. This, as the committee knows, included two locks and a canal, the Long Sault canal and the Eisenhower lock and later the Wiley-Dondero lock. It also authorized a canal and lock opposite Iroquois, Ontario, at Point Rockway on the United States side. This canal at Point Rockway was to cost $21,259,000. As the committee know, Canada later decided to do this work. It was my colleague the then secretary of state for external affairs, the Leader of the Opposition, who made the announcement in August of 1954 that Canada had decided to build the Iroquois canal and lock in Canadian territory.

The United States army engineers estimated the work on the United States side to cost $96 million—and that estimate was contained in the report of the committee on foreign relations dated June 16, 1953—including interest during construction. The United States development corporation has gone to congress and obtained authority to spend up to $140 million. Whether this amount will be sufficient to enable the United States to complete its work on its side of the line I am unable to say, but I am informed that it will.

If I may turn to just one other matter I shall try to conclude. The dominion bureau of statistics construction cost index estimates the increase in the cost of construction from December, 1950, which it places at 100, to December, 1957 at 136.50, which would indicate that during that period of time the increase in the cost of construction rose 36.50 points. I would like to add this. Although the dominion bureau of statistics

construction price index, which I have mentioned, refers to that, it does not deal specifically with another item which is of extreme importance here, namely the purchase, fabrication and erection of steel which was substantially higher, as the table which I have before me would indicate. In fact, in 1949 the estimated unit price for truss spans of steel, viaducts erected, was 18 cents a pound; as represented by the cost index 100, in 1949 it rose to the index of 158 and the price was .285 per pound in 1958.

So I think it can be said in fairness that roughly speaking, in order to make a fair comparison between the estimates of December, 1950 to which I referred earlier, and those of December, 1957 the 1950 prices should be increased by at least 35 per cent. Accordingly the navigation estimate of $260 million which was made should be increased to about $350 million and the $402 million power estimate to approximately $543 million; provided, of course, that no substantial changes have been made in either the navigation or power works contemplated in 1950. I add this final word, that these figures do not include interest during construction.

I come now to Welland. The cost estimate provided by Mr. Lindsay for the Welland development was $1,302,000 and the amount which I believe the minister mentioned in his statement, to be found in yesterday's *Hansard*, was—

Mr. Hees: $25,600,000.

Mr. Chevrier: —$23 million roughly speaking. Here I should like to say that this was an estimate which obviously was substantially in error. It was an estimate which was not made by the then minister of transport, who announced it in the house, but was made by the engineer who prepared it, and I tabled it. The authority engineers did not discover the error until 1956 when they came to give out contracts and prepare plans and specifications for the work on the Welland canal. However, if one examines the estimate referred to in the brochure prepared by the Department of Transport and the actual work done there is a substantial difference, because the width of the channel was extended from 200 feet to 300 feet and the depth was lowered several feet more than was required.

I am told by the engineers that a depth of 27 feet means an additional two feet for safety, but that when one encounters rock one must go down three feet more in the rock. I am informed that in a stretch of the Welland canal a substantial amount of rock was discovered, being about 7 miles in extent; and as the house knows, the cost for dredging rock is substantially higher than for dredging ordinary earth. The cost of dredging rock, I am informed, to a four foot depth is $17 per cubic yard, to a one foot depth $24 per cubic yard and to a depth of six inches $30 per cubic yard while the cost is but $2 per cubic yard for common earth dredging.

Why was it decided to go to this depth in rock? The engineers of the St. Lawrence seaway authority, in consultation with the United States corps of engineers, came to the conclusion that it would not be safe for a ship having a beam of 72 feet to be allowed to travel in a channel 200 feet wide and navigate over rock unless the depth was at least five feet lower than the 27 feet. I was not there when the work was completed. I was there when the majority of the contracts were let but, as the house knows, I left in April of 1957. But it is common knowledge, to those who are ship engineers I am told that because of safety one has to go down to this extra depth when rock is encountered. In that stretch alone an amount of almost $12 million is involved to deal with the rock.

So far as the difference between the $12 million and the amount the minister gave is concerned, I can only say there was an error in the first estimate. I accepted the estimate as it was given to me and gave it to the house. I had no way of checking it. I was not expected to go and make a *de visu* inspection of the canal. That was the responsibility of others who had been working on the Welland canal for years, and certainly the responsibility of those who had to do with the granting and awarding of the contracts.

Mr. Walker: May I ask a question. Would it be true, then, that the estimate received from the engineers was made without first making test borings? If so, it is very similar to the experience with the printing bureau.

Mr. Chevrier: I am unable to say whether the engineer who made this estimate actually made test borings, because I have never discussed that with him. I do not believe I have seen him since the day I tabled it in the house. I have some reservations as to that; I may have seen him once or twice, but certainly not to discuss this matter.

To come back to the question, I presume the responsibility for test borings lay with the engineers of the Welland canal. It may well have been the responsibility of those who prepared the cost estimates in the 1932 and 1941 agreements. I do not know. I was not there. But the error was certainly discovered when our engineers prepared the plans and specifications for the Welland canal.

My hon. friend asks whether this does not compare with the investigation of the printing

bureau made in the public accounts committee. That is the reason I have spent so much time in showing what happens to estimates. Estimates are prepared, estimates are revised, estimates are re-revised, estimates are still further revised by other governments. If you take this history of these estimates you will find that they are normal. If you take them at the time they were made, with the exception, of course, of the Welland canal one, I believe you will find that there is a gradual increase as they have been revised from time to time; provided, of course, that you do not add large projects that have to be carried out because of public demand. I have not dealt with those and I am not going to impose that discussion on the committee, but I hope at a later date to be able to give the reasons why, beginning with upstream and going right down to Montreal, it was necessary to add many of the things that were done at the time.

I would like to make some remarks on the contractors' claims but I am not going to impose on the committee any longer. The hon. member for Vancouver East has been waiting to speak and, if the committee will permit me, perhaps I might be allowed to listen to what he has to say and to others and then at a later time, before the resolution is finally approved, give my opinion of these claims that have been filed by the contractors. If that meets with the wishes of the committee, I would appreciate it a great deal if I could be given the opportunity to intervene in the debate at a later time.

Mr. Winch: Mr. Chairman, I listened very carefully to the remarks made yesterday afternoon by the hon. member who has just taken his seat. As I say, I listened very carefully, because this is a most important subject.

I cannot help commenting from my own point of view that I wish that on such an important subject with all its complexities it were possible to present the entire picture with all its complexities in terminology that would make it a little more understandable to the average layman. I will admit, that neither inside nor outside of this chamber have I ever previously spoken about the St. Lawrence seaway. However, I became exceedingly interested in the matter because of reports and comments in the press of this country, certain documents that were placed in my possession and meetings with several persons of engineering status.

I want to say right at the outset that I became most interested because of certain documents which were placed in my possession and which engineers informed me were correct. However, I have not used them and do not intend to use them because they are not authenticated by signature. Having regard to my responsibility as a member of this house I feel that I cannot, in speaking now or at any other time, use documents which I have not had officially authenticated as to their source. However, in view of the statement made yesterday afternoon by the Minister of Transport in moving this motion, and the complete answers that were given by the minister to a series of questions placed upon the order paper, I feel that there are questions of serious import that should be asked of the minister at this time before this motion is finally proceeded with.

May I at this time say, how much I appreciate the speed with which the Minister of Transport replied to the questions placed on the order paper. He has set a wonderful precedent and example. We hope that the other cabinet ministers will take note and will follow in his footsteps.

The hon. member who preceded me had a good deal to say—and I tried to follow his remarks as far as I could—about the increased costs of the St. Lawrence seaway. But irrespective of what he said I feel that, when we have the Minister of Transport informing the house, as he did yesterday, that the cost to Canada of the seaway was estimated in 1955 in the capital budget as $205,500,000 as compared with the present total estimated expenditure of $329 million, it can be taken almost as axiomatic that, it is the responsibility of hon. members, when he asks for an additional $35 million, to find out as precisely as we possibly can the reason for the increase from $205 million to $329 million, how the money was spent, whether it was efficiently spent and what is the purpose of the additional $35 million that is being asked for on this occasion.

I think one point we should like to be clear upon is whether this $35 million has any connection with the 28 claims that have been put forward by the contractors up until January 27 of this year. The minister informed us that 28 claims had been received totalling $36,329,000, that six of those claims had been dealt with and that the remainder are being examined at the present time. He also informed the house that the six claims that have been dealt with thus far totalling $8,636,000; and that of that amount claims totalling $768,000 have been accepted and $7,868,000 have been rejected.

It is, of course, of interest—because the members of the house want to be absolutely fair in all their dealings—as to whether or not there was any justification for the claims that have been put in by the 28 companies. On that basis I should like to ask in passing whether the Minister of Transport has had

brought to his attention in any way whatsoever a reputed meeting of contractors—I believe it was about February of last year—in which, I understand from speaking with an engineer, the view was expressed by some of the contractors at least that the design and the construction of the seaway were undertaken by the federal government on what might be called a crash program and that the work of investigation, design and preparation of the tender documents was done in a great many cases in haste and under heavy pressure which resulted in an inadequate assumption as to the conditions that existed and under which the construction work had to be done, resulting in a number of radical changes in plans and in specifications. The reason why I ask whether there is any knowledge of this is the statement made yesterday by the minister in speaking on this matter of the companies' claims. At page 1163 of *Hansard* we find these words of the minister:

> While the claims cover numerous items of work, and as such are to be treated as individual in character, many of them fall into one or more of the following general categories: Claims due to a rising wage level; claims based upon alleged undisclosed ground and water conditions; claims based upon alleged interferences with scheduling of work for various causes, including changes in plans and delays in providing plans by engineers of the authority; claims due to quantities being greater than estimated in tender documents . . . claims based upon the contention that procedures for the disposal of excavating materials differ in actuality from that assumed at the time of tendering.

In view of the fact that that was the statement made by the Minister of Transport yesterday as to the alleged reasons for claims on the St. Lawrence seaway authority and therefore upon the government for an additional $36 million, it is of vital importance for this committee to have a clear understanding of that matter from the minister because, if I may be allowed to say so with all due respect to the hon. member who preceded me, those were the identical reasons that were given for the situation examined by the public accounts committee in respect of the queen's printer's building. The public accounts committee was asked by this house to investigate the reasons for increased costs. I think I missed only one meeting out of all those that were held. The very reasons that are outlined here as being perhaps the basis for the claims of the contractors are the very things that were proved in the public accounts committee in their investigation last year with respect to another building. Mr. Chairman, I think the minister wants to ask a question.

Mr. Hees: Mr. Chairman, I should like to answer these questions as we go along. First of all, the hon. member for Vancouver East asked whether I was aware of a meeting of contractors. I do not know of any such meeting and there is no reason why I should. I have been visited on, I suppose, two or three occasions by contractors or groups of contractors who have come to see me, mainly with the idea of putting up to me the proposition that their claims should be dealt with as quickly as possible. The reasons for the claims just mentioned by the hon. member for Vancouver East were those put forward in the written claims submitted by the contractors or groups of contractors and were not the reasons put forward to me verbally or in letter form by any contractors that came to see me.

When I saw these contractors who came to see me on two or three occasions, I simply told them that their claims would be examined as quickly as possible. I outlined to them the procedure we proposed to follow, that in order to speed up the work we had taken on two experienced engineers to assist in this work, and that they and our own engineering staff would be examining these claims as rapidly as possible and in a very thorough manner. I told them that when their examination had been completed the results would be examined by the St. Lawrence seaway authority and then submitted to treasury board. The outline of this procedure seemed to those to whom I spoke eminently satisfactory. They had come to see me mainly to urge that their claims be dealt with as rapidly as possible. I assured them that they would be. I hope that that will answer the hon. member's question.

Mr. Winch: I am glad the minister has taken the opportunity—by the way, I do not want to lose that time?

Mr. Hees: Oh no.

Mr. Winch: —to elucidate further what he said yesterday, but I am afraid I had not made the point which I was coming to. My point was, in view of the fact that additional claims have been put in in the sum of some $36 million, and in view of the allegations made as to why they thought they were entitled to their claims, which are being studied by the minister and will be doubtless dealt with, this house should be informed, owing to the experience we had last year with another contract, as to what extent on the engineering, planning, test borings and all phases of construction similar mistakes were made on what is now something over a $300 million project as were made apparently with regard to the queen's printer's building.

Would the minister make a note of my points as I go along and then he can answer them all at the same time.

Mr. Hees: I think it would be much simpler if the hon. member had the extra time, because he is asking a lot of important questions and it would be easier if I answered them as he went along. I am sure the hon. member is asking these questions in an endeavour to seek information.

Mr. Winch: Yes, I am. The only thing is that I want to keep my continuity, if I can.

Mr. Hees: It depends on whether the hon. member wants to make a speech or is asking for information. I am willing to give him the information, as best I can, as he goes along.

Mr. Winch: I would like to do both, but go ahead and answer.

Mr. Hees: Mr. Chairman, the basis upon which these claims are being examined is this. This was explained very carefully to the contractors, and they have all agreed it is a fair basis for examination. If it can be shown by them to those examining these claims in the St. Lawrence seaway that they lost money due to change of plans which the seaway authority imposed upon them, or to any hold-ups imposed upon them in time by the St. Lawrence seaway engineers, or if in any way losses which they incurred were due to action of the seaway authority and their engineers, then those losses would be given very serious consideration with regard to compensation. We would compensate to the degree, and to the exact degree, to which we estimate our actions, or lack of action, or wrong action, have contributed to that loss. If, however, losses have been incurred due to mistakes made by the contractors themselves, and which we do not consider we are responsible for, then those losses must be borne by the contractors. That basis of examination has been considered by all the contractors I have come into contact with to be eminently fair. They are satisfied with that basis of examination, and they have told me they are satisfied with those who are doing the examining, and I believe that they feel they are being given a square deal.

Mr. Winch: Mr. Chairman, that is admittedly fair; I am not criticizing that at all. What I am saying is that the members of this house and the people of Canada should know if we find we have to go ahead and pay out additional millions—you have already agreed to over $700,000—why this is so. Is it because, as it must be, of mistakes made in planning and engineering? If so, is that not money which has been wasted because of something wrong in the planning and engineering in some phase or other? That is what we are asking. Just why did that situation occur, and can we know whether, when we are asked to spend an additional $35 million, that situation will be corrected and will not happen again?

Mr. Hees: If I might answer that question as we go along, as I am sure the hon. member noted yesterday—

Mr. Argue: Mr. Chairman, I rise on a point of order.

Mr. Hees: Mr. Chairman, I am glad to give the information to the hon. member as we go along.

Mr. Argue: Mr. Chairman, on a point of order I think it is clear to the minister and the members of the committee that the speech of any member can be interrupted only with the member's consent. I would suggest to the minister that if he wishes to interrupt the speech being made by the hon. member for Vancouver East, he should first of all ask his permission. If he receives his permission the minister can proceed; but it is clear under the rules that the minister has no right to interrupt any member who is speaking.

Mr. Hees: Mr. Chairman, may I just say this. I have no intention of interrupting anybody's speech, but the hon. member is putting to me very serious questions. I understand that he is not putting them forward for propaganda or political purposes, but to elicit information, and I want to give him that information if I can, because I am sure that is the only reason he is asking these questions. Now, does the hon. member want an answer to his questions, or does he simply want to carry on and make charges?

Mr. Winch: I was just going to make the remark that the hon. minister and I get along very well, but now I do not know that I can say that, because he said that unless I proceed in the way he suggests I am merely being political. I am glad the hon. minister accepts the sincerity and integrity with which I am trying to put up these questions, but it is very difficult for me to carry on on a question and answer basis at this stage. It is customary in the majority of cases, the minister believing in the integrity and sincerity of the person speaking, for the minister to make note of the points raised and the questions asked, and then when the speaker is through and the minister gets up he deals with each speaker, his questions and points of view. I would ask that that procedure be followed from now on, if the minister does not mind.

Having, I hope, made the point I was trying to make, I would like to go to the next one, which I think follows in a natural sequence. It is something which I admit I have found somewhat difficult to understand. Here we have a project which is now going to cost

$329 million, for which the taxpayers will have to put up the money at any rate to start construction. Therefore that means inspection. I find, according to the answers given by the minister yesterday to a series of questions I placed on the order paper, that an inspection section was established on December 1, 1955. A chief inspector, Mr. J. Buchanan Stirling, was appointed in December 1955. Over a period of time he had a staff of 20, and according to the answer they had the responsibility of inspection on behalf of the St. Lawrence seaway authority. That work has not been completed. As a matter of fact, it has not only been going on over this past year, but if my memory serves me correctly there is to be somewhere in the neighbourhood of $50 million worth of construction done in 1959. That is a very large capital expenditure. Yet we find that the St. Lawrence seaway authority inspection branch was let go in 1958. We find that the chief inspector did not resign but was laid off in November 1958.

Yet with all the work which has to be carried on this year, amounting to some $50 million, with the exception of three people the entire staff has been disbanded, and of the three that are left, only one I understand is an engineer; the other two are instrument men. Before becoming an elected member of parliament I spent all my life in the construction industry and I can tell the committee that it is a most unusual procedure to lay off the chief inspector and the majority of the men during the course of construction, keeping only three who had been employed rather late, and then providing for inspection on a contract basis with an inspection firm. I want to repeat that this is a most unusual procedure which has been followed, and I think the minister should explain why this was done. A statement by him would be the only way to quiet some of the rumours which have appeared in various places with regard to inspection and the type of construction undertaken.

I should like, also, to deal with some of the answers which have been given to questions put to the minister, and request the minister to let us have more detailed information. On February 2, for example, I asked the Minister of Transport some questions about certain matters affecting the Cornwall island south channel high level bridge, and in his reply the minister stated that $1,601,100 had not yet been paid to the contractor. I think the minister might now inform the house why that money is being withheld, in order that a decision may be reached as to whether the engineer or the contractor concerned can be held responsible for the remedial measures which had to be taken to repair the main pier at an estimated cost of $262,000, the cable-bent pier 13 at a cost of $2,000 and the north abutment at a cost of $10,000. When the minister comments on this I should also like to know whether it is usual for a bridge the size of the Cornwall island bridge to be founded on dense glacial till and not on bedrock. I am very interested in this in view of the remarks made by the hon. member for Laurier when he was telling us about the necessity of finding bedrock, even if it meant going down five or six feet. But here we have an answer by the minister to the effect that it has been necessary to spend $274,000 on remedial repairs, and that the structure was not driven down to bedrock but was founded on dense glacial till. While he is dealing with this question perhaps the minister would also tell us whether there was not another bridge in this immediate area which was built on dense glacial till and which collapsed.

I think these are the sort of questions which should be answered before we can vote on this motion. I note that the Minister of Transport said yesterday that an additional $11 million was required as the further cost of converting the Mercier bridge into a high level bridge. This is another matter which interests me, and I hope the minister will not mind enlarging on the necessity for spending this additional $11 million. I hope the minister will tell the committee the name of the company responsible for designing this changed bridge, and its engineering qualifications. I should like to know, also, whether this same company has been given the job of inspecting its own bridge. I was asked personally to direct these questions to the minister, and I am doing so at this time.

As I said, I began by trying to deal with the statement made yesterday by the Minister of Transport and to raise, I hope in a constructive way, some of the questions which should be answered in order that there might be a clear picture before the members of this committee both with regard to why there should be this great increase in cost compared to the original estimate and also why the need for spending this extra money has arisen, whether something has gone wrong with the engineering plans or for any other reason. In particular, with so many millions being spent at the present time, why was the inspection branch fired in 1958? The question I am raising is this: is it good construction policy to fire your own inspection branch and use the services of an inspection company, the same company which had to report to the chief inspector of the seaway authority when the authority had its own inspection branch. There may be reasonable and logical answers to these queries. I am

trying to ask logical questions so that I will get a reasonable answer; or I am asking reasonable questions hoping to get logical answers.

I just want to conclude in this way. We are being asked for an additional $35 million. I think that in view of all the talk of inflation and in view of all the criticism which has come from some sources—banks, corporations, trust companies and newspapers—urging efficiency and economy in government spending, this is the time and place when we should be asking questions such as I have been asking and when the government should give us a very clear picture of the situation. I do not know whether it is possible in such a committee as this to discuss a matter of this kind back and forth. I do not think it is. I want to tell the minister, through you, Mr. Chairman, that from what little knowledge I have acquired through reading the newspapers and from the answers given here it is my personal opinion that it may be advisable to have at least a preliminary examination of this matter by the public accounts committee. Let that committee, on the basis of an investigation at which it is able to talk directly to the people in charge, decide whether or not there should be a recommendation to the government for any further action or inquiry. I submit this is a suggestion which is worthy of serious consideration. Now that I am about to sit down I look forward to hearing the minister take the opportunity to answer all the questions he has said he is so anxious to answer for us.

Mr. Bell (Carleton): Mr. Chairman, this resolution grants authority to loan an additional $35 million to the St. Lawrence seaway authority to bring the total expenditure of that authority to $335 million as opposed to the 1955 estimate of $205 million. The aspect of that upon which I wish to dwell this afternoon is the extent to which this House of Commons has been kept informed about the changes in the estimates and the changes in the specifications which have occurred from time to time and the extent to which this house has had the opportunity to exercise parliamentary control over this great enterprise.

My theme this afternoon will be a very simple but a very fundamental one. Basic to parliamentary control over public expenditure I submit is accuracy in estimating the cost of projects for which parliament is asked to vote money. Without reasonable accuracy of estimating and without immediate and full disclosure of unavoidable mistakes which inevitably will occur, this house can exercise no real or effective control upon the public purse. Especially is this true when parliament is asked to vote large capital sums en bloc which sums may be diverted from one aspect of the project to another without returning to the house for approval. This has been the situation with respect to the St. Lawrence seaway authority from the very outset.

In some detail I wish to examine and analyse the issue as to whether the St. Lawrence seaway authority and the department of transport under previous ministers have presented to parliament that accuracy of estimate and that complete disclosure of essential facts which form the bedrock of control by parliament over the expenditures of the executive and over the agencies of the executive.

For that purpose I wish to examine especially the situation with respect to the Welland ship canal. I preface my comments by saying that everyone, of course, wishes to assure that this great waterway—one of the great canals of the world—has the most up to date construction and the most modern facilities possible to ensure its efficient operation as an integral part of the seaway and, as well, its complete safety. On that point let us have no misunderstanding. But what of the estimates of the cost of deepening this canal as compared to actual expenditures to date?

The hon. member for Laurier this afternoon endeavoured to excuse the fabulous discrepancies by unloading the blame on the engineers. His words, as I took them down were to the effect that "obviously there was substantial error". That is the understatement of the year. The hon. gentleman went on to say that these errors were made by the engineer who prepared the estimate. That is not our constitutional system of doing things. The hon. member cannot avoid the responsibility by investing it in the engineers who were at all times responsible to him either in his capacity as minister or in his capacity as president of the seaway authority. I say to the hon. gentleman that the committee would have admired him more if he had stood up to his responsibility and not sought to evade it. He said the errors were discovered in 1956. At that date he had been minister of transport for six or seven years and president of the seaway authority for at least two years. How long did it take him to learn the facts of life? It took the award of contracts amounting to over $19 million to awaken the hon. member for Laurier to the egregious errors which he now seeks to invest in his subordinates. But let us examine the whole sordid story consecutively.

The first estimate of the cost of which I have been able to find record appears in a congressional document. I refer to the hearings of the committee on public works of the

House of Representatives, 81st Congress, second session on house joint resolution No. 271. At page 129 there appears a letter from Lieutenant-General R. A. Wheeler, chief of engineers, to Senator Alexander Wiley, dated December 7, 1948, to which is appended the estimate of costs as provided by the Canadian Department of Transport. The cost there set forth for a 27-foot project channel is $1,157,000. In order that there may be no misunderstanding about the depth let me quote a note at page 134 which states:

For channels of 27 and 30-foot depth—

I draw attention to those words: 30-foot depth—

—in the Welland Canal only normal dredging operations would be necessary, as a controlling depth of 30 feet is provided over the sills of the existing locks.

Thus the first estimate of the cost of providing for deepening of the Welland canal adequate to the needs of the seaway was $1,157,000, a figure which I hope the committee will bear in mind as I go along.

The next estimate of which I am aware also comes from a United States source and I refer to the hearings of the committee on public works of the House of Representatives, 82nd congress, 1st session, meeting on various house joint resolutions. At page 214 of the evidence of Major-General Lewis Pick, chief of engineers, United States army, given on February 26, 1951, the estimate of the cost as prepared by the Canadian Department of Transport is shown as $1,302,000. That estimate is stated to be at December 1950 cost levels and that fact may indicate the change from the earlier estimate.

In any event it was this estimate which was used in this house on December 11, 1951, in the committee stage of the bill to create the St. Lawrence seaway authority. I quote from *Hansard* of that date at page 1787, the words of the then minister of transport, now the hon. member for Laurier:

—and in the Welland ship canal, $1,302,000.

I am unable to find any change in this estimate until February 15, 1955. On that date the then president of the St. Lawrence seaway authority, now the hon. member for Laurier, spoke to a luncheon of the annual convention of the Canadian lumbermen's association in Montreal. May I say that I am quoting his words from a secondary source. I have not been able to find the actual original. If the hon. member takes any exception at all to the quotation, I must, of course, immediately withdraw. This is the quotation as I have taken it from a secondary source:

The only work—

I want to emphasize that phrase.

The only work required to complete the deep waterway through the Welland ship canal is the deepening of certain parts to 27 feet. The total estimated cost to provide this depth of 27 feet throughout the Welland ship canal is $2 million.

That estimate was confirmed in the committee of supply in the estimates of the Department of Transport on July 22, 1955. At page 6610 of *Hansard* of that date the then minister of transport, the Hon. George C. Marler, is reported as having said:

—deepening of Welland canal, $2 million.

To the extent I have been able to conduct research that is the complete record of estimates and disclosures to parliament. I pause only to mention that it is a revelation to a Canadian parliamentarian to observe the detail which appears in congressional documents. There is no comparison whatever between the amount of information provided to the congress of the United States and that provided to parliament. This applies at all stages of the seaway planning and construction. Our seaway authority and our Department of Transport could take many lessons from their United States counterparts in the matter of reporting to their legislative authorities. In any event that is the record of the estimates and disclosures made to this house and to this country. That is the basis upon which plans for the seaway were undertaken.

What of the records of the contracts which were let? In public documents I have been able to find a record of eight contracts let. I think those contracts ought to be put upon the record. On December 3, 1955, a contract for the enlargement of the channel between lock No. 1 and lock No. 2 was awarded to McNamara Construction Company Limited for $359,755. On the same date, a contract for the enlargement of the channel between lock No. 2 and lock 3 was awarded to the Swansea Construction Company Limited for $698,260. On the same date also a contract for the enlargement of the channel between lock No. 3 and lock No. 4 was awarded to Aiken and MacLachlan for $104,000. Consequently, on December 3, 1955, three contracts for a very small part of the work were let, totalling $1,161,000, or already in excess of the original estimate for the complete work. Therefore, already as far back as December, 1955 the seaway authority and the minister of transport had reason to be put on the alert with respect to the ultimate cost. I am unable to find a whisper of this problem having been communicated to parliament.

The fourth contract was awarded on July 13, 1956, jointly to Canadian Dredge and

Dock Company Limited and McNamara Construction Company Limited. It was for dredging from station 1231 to station 1460 and was for the total sum of $11,623,000. My understanding is that this covers from the guard lock at Port Colborne to lake Erie, a distance of about 2½ miles, and on the summit level from the guard lock a distance of about 1½ miles.

Then, on November 15, 1956, a contract was awarded to Russell Construction Limited for dredging from the guard gate to station 710 + 00. I understand this is a distance of about four miles. The amount was $7,280,575.

The sixth contract was awarded on December 28, 1956, to J. P. Porter Company Limited for suction dredging at the lake Ontario entrance to lock No. 1 for $642,600. Thus, in 1956 alone, contracts were awarded totalling $19,546,375, and this for a project originally estimated at $1,157,000. Was this pointed up to parliament? Not so far as I can discover. But this is not the end. The contract for suction dredging at the lake Ontario entrance was supplemented by one for rock dredging to J. P. Porter Company Limited on September 26, 1957, for $1,283,900. And an eighth contract was awarded to the same company for supply and operation of a dredging plant totalling $351,000.

These eight contracts of which I have record total $22,343,290, or a mere 19 times the original estimate of $1,157,000, or a mere 17 times the estimate when the seaway was approved, or a mere 11¼ times the latest estimate made on February 15, 1955, by the hon. member for Laurier. But, this is not the end. These eight contracts do not, as I understand the geography of the area, provide for the completion of the work of dredging the summit level. In any event, my information is that the latest budget of the authority shows an estimated total cost of $25,655,775.

Then, if one turns to the report of the tolls committee, which is dated June 12, 1958, at page 3, he finds a further estimate:

> Welland canal, lake Ontario to lake Erie, cost of deepening and other improvements, $27,500,000; interest during construction $1,500,000.

Or a total of $29 million and, this is the figure upon which the tolls will be based. This is the amount which must be amortized by those who pay the tolls on the ship canal. For any statistically minded members of the house may I say that the figure is 25 times the original estimate, 22 times the estimate when the seaway was approved and 14½ times the estimate made by the hon. member for Laurier and confirmed by his successor as minister of transport, the Hon. George C. Marler.

In the minister's statement of yesterday, at page 1162 of *Hansard*, the increase in the Welland canal is shown as $23 million. The reason given is the increase involved in deepening to specifications determined in the autumn of 1956.

I have searched the annual report of the St. Lawrence seaway authority for the fiscal year ended December 31, 1956, signed by Lionel Chevrier, and I fail to find a single sentence to draw to the attention of parliament that there was any change in specifications. It is true there is mention of two dredging contracts, each exceeding the original estimate, but not a whisper to suggest that they involve any change in the specifications. And I have examined the seven volumes of *Hansard* of 1956 and I have been unable to find that the then minister of transport ever communicated to parliament in that very lengthy session any changes in specifications which are now said to involve $23,600,000.

The hon. gentleman said this afternoon, and I have heard it said before, that the reason for additional cost was that rock was encountered and that safety precautions required additional depth. But, surely, it did not require engineers, let alone a former cabinet minister, to discover that the Niagara escarpment was composed of rock. Surely, any pre-school child would have known that the Niagara escarpment was not made of sand. The Welland canal is only 25 years old. The records must surely be available. But if that is the case, that it was because of rock, my problem is this. When was parliament informed? At what stage were these mistakes, these fantastic miscalculations, disclosed by the previous government? I believe that on their part there was a conspiracy of silence, a desire to let sleeping dogs lie. After a contract for over $11 million was awarded in July, 1956, did Mr. Marler come to this house and point out the unbelievable discrepancy between estimate and performance? Did he or the president of the seaway authority breathe any hint of a change in plans? The fact is that these bare, blunt facts reveal the most outrageous miscalculations in the annals of parliament, and that is all I have spoken of this afternoon.

Were these expenditures necessary? Were they wise? Who can say now? Parliament was kept in the dark at the time when an effective decision could be taken by the people's representatives. Parliament was expected to abdicate its control of the public purse; parliament was expected to surrender docilely to an apparition of an agency of government expending 14, 22, 25 times what

had been originally estimated and this without being advised of any change in specifications. I say for parliament now to ignore these facts would be an open invitation, indeed almost an injunction for parliaments in the future to say, "Go thou and do likewise".

The present minister and the present government, who have no responsibility for this matter, nonetheless do have an obligation to the house to assure the house that precautions have been and are being taken to prevent a repetition of these incidents. Before the house and before the public the two former ministers of transport must accept the responsibility. That is our constitutional system. They cannot evade responsibility by suggesting that it is to be invested in the engineers. True, back of them there are engineers, and I do not like to see these engineers escape responsibility. Indeed, I have heard it suggested that the engineers miscalculated the minimum water level of lake Erie. If that was the degree of study given to this great enterprise, if that was the efficiency displayed, then we must watch to stave off a repetition of these problems of which I have spoken.

What interests me is just that, to stave off this type of thing in the future. That is why I have put the record before the house in detail, for I believe there is at stake a great principle of parliamentary government. I repeat what I said at the outset, that without accuracy in estimating costs of projects parliamentary control of capital and other expenditures is no more than a snare and a delusion. Canadians everywhere are proud of this great enterprise, this great inland waterway, but if it is built at the expense of a relaxation of the control by the people's representatives over the public purse, then it will have been but an incident on the road to tyranny.

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

Mr. Bell (Carleton): Surely.

Mr. Chevrier: Does he give his consent?

Mr. Bell (Carleton): Surely.

Mr. Chevrier: The question I should like to ask is this. Is he aware that the 1957 budget showed an expenditure for the Welland canal of $23 million and that the 1958 budget showed an expenditure for the Welland canal of slightly more than that amount? For the latter part of 1957 as well as for all of 1958 his friends were in office, and I ask this question. Did they question these amounts which were placed before the house?

Mr. McGregor: Who let the contracts?

Mr. Bell (Carleton): What the government may have done is not something of which I may speak but this I do know, that when my hon. friend left the seaway authority he left it without the summit reaches of the Welland ship canal being excavated to a level that it was possible for ships to travel and this government had no option, if any part of that canal was to be made use of, but to go ahead and make the eventual expenditures. The responsibility rests entirely with the hon. gentleman as minister of transport at that time and then president of the seaway authority.

Mr. Chevrier: My hon. friend has made a charge and he questioned these two items which were in the budget—

Some hon. Members: Order.

Mr. Chevrier: Have I the hon. member's permission to ask a supplementary question? If I have, then I say to the hon. gentleman that he questioned these two amounts. I say to him now that they were in the budgets for 1957 and 1958. Did my hon. friend question them when he sat in the house?

Mr. Bell (Carleton): I think I have answered that fully. The situation is clear that there was no option on the part of the government other than to proceed to excavation on the summit levels. If the hon. gentleman had come to the house at the time as he should have and made a frank confession, as I would have expected him to do, of the errors of which he was guilty, then we would not have found ourselves faced with the problem confronting us today. The hon. gentleman is the most voluble member of the House of Commons but certainly he was something less than voluble when it came to confession on this score.

Mr. Pearson: Why don't you answer the question? You were silent for two years.

Mr. Campbell (Stormont): Mr. Chairman, I should like to bring to the attention of the house the assassination of a city by the St. Lawrence seaway authority and its betrayal by the then head of that authority. For over 100 years in my home city of Cornwall ships have sailed by our doors through the Cornwall canal. Today that canal is blocked. Three miles east of the city ships turn and pass by on the United States side. Today the city of Cornwall, where I was born and where the hon. member for Laurier was born, is stranded high and dry and is one of the most depressed areas in Canada.

I want to ask who was responsible for the seaway being on the United States side. The people of Cornwall want to ask that question.

In fact, people all the way from Montreal to Toronto, at least from Montreal to Kingston, want to know the answer. Who was responsible for the seaway being on the United States side? I believe there is only one man who is capable of giving that answer.

For 50 years the people in the area along the St. Lawrence, the oldest settled part of Canada west of Quebec had dreamed and hoped for the St. Lawrence seaway which would bring a new era of prosperity to that area. By fortuitous circumstance, when the time became propitious for the construction of the seaway Cornwall's most illustrious son happened to be in a position where he could do the most for his own area. At that particular time this native son of Cornwall, who had reached heights of distinction that put him in a position where he was largely instrumental for the carrying on of the international negotiations prior to the construction of the seaway, was in a position to influence the course of events. I would be most reluctant to say anything derogatory about this hon. gentleman.

Mr. Pearson: You are doing so now.

Mr. Campbell (Stormont): He is a most able and charming man, a man of consummate charm, and I have been exposed to both his charm and ability. In fact, I owe a great deal to him. I owe my presence here today to him. I must acknowledge a great debt to the Prime Minister who, prior to occupying that office, came to our area. I must also acknowledge a great debt to a small group of devoted workers in the last two elections.

The Deputy Chairman: Order. I must ask the hon. member to come back to the resolution.

Mr. Campbell (Stormont): But the greatest debt I owe to anyone so far as being elected is concerned is the debt I owe to the hon. member for Laurier, my predecessor, because of the disillusionment of the people in that area over the fact that they lost the canal to the United States side when he, more than anyone else, was in a position to see that Cornwall and Canada derived the maximum benefit from the construction of the seaway. As I said before, I would be reluctant to bring up this matter were it not for the fact that time and again I have been charged by people of the area with being delinquent in my duty in not bringing this matter before the house and getting some sort of satisfactory answer to the question, why is the seaway on the United States side, why are the locks not in the Cornwall area?

I do not wish to go into detail with regard to the stupendous, almost fantastic, increase of over 60 per cent from the cost originally estimated to the actual cost. That matter has been dealt with only too adequately by the previous speaker. But one thing that is of great concern to us is the fact that because of this tremendous increase the whole success of the seaway system may be jeopardized. Originally the project was predicated on the assumption that it would be self-liquidating over a period of 50 years but now in order to pay for the increased cost it seems likely that even if the amortization period were extended to 75 years or 100 years the seaway tolls would have to be raised to such a level as to be prohibitive.

This, of course, is of vital importance to our whole area. It would appear that there are only two ways in which to rectify the situation as far as our area is concerned. There are only two ways in which Cornwall can be restored to its former position on the great St. Lawrence waterway or so that it may benefit by it. First, of course, would be the construction of an all-Canadian seaway. The only alternative in order, to restore traffic to our area would be the construction of harbour facilities either to the east or to the west of the present city so that then we could have access once more to the shipping lanes. I have nothing further to say at this time except this. Our people want to know why the man who was in a position to do the most for that area did not do so and why the canals are at present located on the United States side rather than where the Cornwall canal had been for over 100 years, in the Canadian channel.

Mr. Pearson: I had not intended to take part in this discussion this afternoon, Mr. Chairman, until I heard the remarks of the hon. member who has just taken his seat. He addressed some questions to my friend the hon. member for Laurier which effected what he calls the assassination of a city and he wants to know why that took place. As the hon. member for Laurier has already spoken—indeed the committee was very courteous in giving him ample time in which to speak—perhaps I should take advantage of the first opportunity to try to answer the serious question asked by the hon. member.

Mr. Bell (Saint John-Albert): We are in committee. The hon. member can speak for himself.

Mr. Pearson: Anyway, I am talking now. If my friend the hon. member for Laurier gets the floor later he can also speak on the matter. But whether we are in committee or not, I am talking now.

As to the other aspect of the discussion, namely the increased cost, the committee

has already been informed by my hon. friend that this increase in the estimates over the years has applied, not only to navigation on the Canadian side which is primarily a federal responsibility but it has applied in equal measure to hydroelectric developments which are the responsibility of the Ontario government. It has applied to action on the United States side both with regard to electricity and navigation, a responsibility of the United States government. Hence any increase in that sense in cost over estimate is a matter which has been brought about, not only in respect of these works which are the responsibility of this government and this parliament, but also of those which affect the Ontario government and the United States government.

My friend the hon. member for Carleton, who spoke a few moments ago talked particularly about the increase in cost of the Welland canal and drew far-reaching deductions about the supremacy of parliament and the flouting of parliament's rights because, he said, there was no opportunity to discuss this increase in earlier sessions. Perhaps he has forgotten that the increased estimates for the deepening of the Welland canal were tabled in this house. The figures are here. They were tabled. He had an opportunity last year to raise questions about this increase. It is not a question of responsibility of the government. He tried to turn the discussion to that point. The question we ask him was this. Why did he not rise last year when these figures were available? Why did he not rise the year previously, when the increased figures were tabled and were known, and say something in the House of Commons? Why did he not get indignant at that time at what he considers now to be gross extravagance and constitutional impropriety?

The hon. member for Stormont wants to know why the canal or the seaway is not on the Canadian side and who has responsibility for this being an international waterway and not a Canadian waterway. I can answer that question. It is a simple one. As the hon. member must know, as do other hon. members of the house, for years and years the Canadian government under both parties tried to bring about with the United States government an arrangement by which an international seaway could be constructed for power and for navigation. This attempt goes back over many years. In those earlier years it was a matter on which there was agreement in parliament between all parties as to the desirability of the construction of this great development, and there was also agreement that it should be done as an international activity or as an international construction. All the earlier negotiations over the years with the United States were in order to try to persuade the United States to co-operate with regard to that development.

In those early days it was considered first that it would be unwise and extravagant—indeed that it would be almost impossible—to try to separate the power and the navigation features of that development. In those early days it was also considered that it was not within the economic and industrial capacity of this country to do the job alone. I am now talking about the situation 15 years, 20 years or 25 years ago. However, as all hon. members know, the United States was extremely reluctant to co-operate with regard to this international activity; and although agreements were reached and discussions were held, congress never reached the point of authorizing United States participation. Then because of the industrial and economic development of Canada the time came a few years ago, during world war II, when we in this country began to realize that we could do this job ourselves, that Canada was strong enough economically and industrially to do the job itself.

We let the United States know, while the previous government was in power, that as they had not seen fit to accept the invitation —and more than one had been extended— given to them to participate in this project as an international activity, we in Canada now desired to go ahead and make this a great Canadian seaway development. As soon as it was realized in Washington that this was not bluff but was a serious statement of Canadian government intention, the United States at once became intensely interested in the international aspect, and as hon. members know the United States government then decided to participate after they had been informed that we desired to go ahead alone.

Why did we take this matter up with the United States at all? Having come to the conclusion that Canada could bear the expense and was capable of constructing this seaway on the Canadian side for power and navigation, why did we not go ahead and do it without bothering to attempt to bring the United States in and without bothering to consult them at all? The answer to that question is surely quite obvious to anybody who knows anything about the facts and the law of the situation.

Any work constructed by the Canadian government which affects the level of, or affects in any way an international waterway, can be done only with the approval of the other country. That principle would apply if the United States were taking action which affected Canada, even if the activity undertaken were on the United States side.

If the work affects the level of an international waterway or affects an international waterway in any material way, then the permission of the other country must be obtained. That principle goes back to the treaty of 1909, I think. Therefore, once the United States expressed its intention of participating in this work, the only way in which we could have proceeded with it as a Canadian project would have been to make it a navigation project exclusively on the Canadian side, with all the canals on the Canadian side, and to ignore the power development completely. Indeed, Mr. Chairman, I am not sure whether it would have been possible even to have constructed navigation canals on the Canadian side without interfering with boundary waters in a way which would have brought the treaty of 1909 into play.

But whatever may be the legal situation there is a practical situation also. Once the Canadian government wished to proceed with this project as a power and navigation project it was inevitable that the United States should be brought in if it so desired, because you cannot construct a power dam on an international waterway half way to the international boundary and stop there. So the power project had to be international. Because the power project had to be international, the navigation part of it had to be international too.

I am not apologizing for one minute for the decision made at that time to proceed to co-operate with the United States in this great development as an international project. At that time we who were responsible in government for the project would have been very happy indeed if the United States had said to us: "Go ahead with the navigation on the Canadian side and we will co-operate in the production of power". But that was not the position they took. They insisted it should be an international project for navigation and power, and in view of that position we, of course, went ahead and made the agreement with the United States which is now being implemented in the construction, internationally, of this great power and navigation development.

Having made this arrangement, the United States decided that perhaps one canal should be built on their side, I think at Barnhart island. Indeed, they wished to construct a second canal further up the river. They hoped that we would take certain responsibilities on our side and they would take the responsibility for these two navigational canals on the United States side. We said, in the negotiations which took place at that time, that that was not good enough, that we were going to build one of the navigation canals on the Canadian side at Iroquis, whatever they did. They agreed to that. Also, we went further than that—and this caused a good deal of argument with the United States—and said that we were going to construct this whole project in a form which would make it possible to have a second Canadian canal in the future on the Cornwall side, so that when navigation requirements made it desirable we could then proceed to build the second Canadian canal. Then there would be a Canadian navigation system from Montreal right through to the Welland canal. At that time the United States took strong exception to this, because they felt that if we now made preparation for this canal, as we did, we would be under pressure in the future irrespective of the amount of shipping going through the canal. We would be under great pressure in starting to build that second Canadian canal at once. As soon as the power part was completed and the dams were in operation, then the United States, having given its prior approval to this international waterway, could not stop us from going ahead with the second Canadian canal. I think we reassured them, and I think we were wise in trying to reassure them, by giving them an undertaking or understanding that the second canal would not be constructed until the requirements of navigation and traffic seemed to make that desirable.

My hon. friend said that this was selling out. He did not use that expression, but I think that was the purport of his remarks, that we had sold out to the United States in the arrangement we made, and we had destroyed the possibility of a Canadian seaway. I suggest to him that in order to have this great power and navigation construction at all, in order to begin and then complete it we had to work with the United States once they made their own decision to take part in it. But under the treaty of 1909 there was no alternative if we wished to develop power with navigation. Having accepted that necessity—indeed, you can argue that was the best way to do it—we then made plans from the very beginning to ensure that when traffic conditions warranted it we would be ready to go ahead with the second Canadian canal. So we have not, I suggest to the hon. member, made such construction impossible. We have not even made it difficult eventually, with the co-operation of the United States, to have a wholly Canadian navigation system when traffic conditions make that desirable.

Perhaps my hon. friend, if he speaks again in this debate, or some other hon. member who may feel as he does that we should have done this from the beginning as a Canadian

venture for power and navigation, will explain to the house how that could be done against the wishes of the United States under the 1909 treaty and how we could have a Canadian canal of that kind for power and navigation which affected boundary waters and was an international project. That was the difficulty. If it had not been a boundary waters affair it would have been quite simple for Canada to have constructed both a power and a navigation project from Montreal right through to the head of the lakes; but once the treaty of 1909 became involved and it became a matter of affecting the level of boundary waters, and the United States invoked the provisions of that treaty, it was bound to be an international development unless we wished to go ahead and ignore the power features and build canals on the Canadian side for navigation only, which would have been a very extravagant and expensive construction indeed. I am sure the minister must realize this.

In the circumstances, therefore, Mr. Chairman, I suggest that the policy adopted by the government at that time, and the policy which has been carried out by the present government, of working out this arrangement with the United States and preserving all the rights of Canada, so that eventually we can, if it is desirable, have a Canadian navigation system in conjunction with a power system, was the wisest and best policy for our own country, and for good relations between the United States and Canada at that time and the present time.

Mr. Campbell (Stormont): May I ask a question of the Leader of the Opposition? I have never intimated or even insinuated that there was any effort made to destroy the all-Canadian seaway. What I did say was that it was the city of Cornwall that was destroyed and sold down the river to the United States. The question I want to ask again which has not been satisfactorily answered is this. Why was the Cornwall canal put at Massena where it required an 11-mile channel, rather than approximately a 3-mile channel on the Canadian side which would have been quite adequate? Also why was no provision made for this city which was thereby stranded?

Mr. Chevrier: May I be permitted to answer that question, Mr. Chairman? I would be delighted to answer the question by the hon. member for Stormont. The Cornwall canal was not put on the United States side, as he knows. As I indicated earlier, the 238-242 single stage control scheme provided for a canal to circumvent the power dam at Cornwall on the United States side, and for a canal to circumvent the control dam at Iroquois on the Canadian side. That was the project which was approved by the engineers in Canada and the United States, and that is what was approved of by the international joint commission.

If I may deal with the second part of his question. He has complained that Cornwall has been detrimentally affected. Apparently the hon. member is not properly informed as to what is happening in so far as Cornwall is concerned, because if he will look at the map and see what is happening opposite Cornwall, he will see a 27-foot depth canal extending from the eastern boundary of the city of Cornwall servicing all the industries along that eastern boundary and to the centre of Cornwall, almost up to the Howard Smith paper mill. What more can be expected under the circumstances? There was a 14-foot canal before, and there is now, or will be with the opening of navigation in early spring of this year, 27-foot facilities to service any industry located on the front of the city of Cornwall.

Mr. Campbell (Stormont): Is this a through channel or something which the ships have to go into and then back out again?

Mr. Chevrier: The former government made provision to have it become a through channel in the event of duplicate facilities in the future, and in the event of additional traffic, as provided in the exchange of notes between Canada and the United States. As the situation is now, there is a turning basin which will allow ships to move in and out of the industrial areas at Cornwall.

Mr. Hees: The hon. member for Vancouver East asked two or three questions and I should like to take this opportunity to answer them now. He asked some questions about the inspection staff. The duties of the inspection staff to which he referred related specifically to the inspection of steel, machinery, equipment, etc. and precision work in connection with the installation of such equipment, practically the whole of which work was completed by the end of November last, when the chief inspector and a number of other members of his staff were laid off. This action was taken on the report and recommendation of the chief engineer.

I should like to read this report, which is dated October 21, 1958 and signed by Mr. A. G. Murphy, chief engineer:

> In the interest of curtailing costs and in view of the stage to which the design and erection of steel structures has progressed, it is deemed expedient to transfer the direction of the inspection section to Mr. R. W. Willis, structural engineer. With such a change, the immediate supervision of

field parties could be handled by Mr. K. L. Coldwell, assistant engineer, who has proven himself to be competent, dependable and familiar with inspection requirements; while the review of reports from inspection companies, employed by the authority, could be made by those engineers who have been particularly concerned with the design and preparation of shop drawings of the various steel structures.

The hon. member also asked who would inspect the additional work which is to be done. The inspection of such work as dredging, channel excavation, and construction of locks was the function of the divisional engineering staffs, organized altogether separately from the inspection staff referred to. Such work of this category as remains will continue to be the responsibility of the divisional engineers.

The hon. member also asked questions regarding the Cornwall island south channel bridge. He asked who were the consulting engineers. The consulting engineers were Mr. D. B. Steinman, consulting engineer, New York, under contract with the corps of engineers, United States army, acting in its capacity as contracting agent for the St. Lawrence seaway development corporation, and P. L. Pratley, deceased, consulting engineer, Montreal, retained by the St. Lawrence seaway authority as Canadian associate consultant, both as agreed to by the St. Lawrence seaway development corporation and the St. Lawrence seaway authority.

The hon. member further asked whether it is good engineering practice to found the piers on dense glacial till instead of on rock. I am informed that such is the case. In any event the construction of the piers founded in this manner was the design approved by the consulting engineers retained by the corps of engineers of the United States army whose standing one should not question lightly. I might also add that the trouble we ran into regarding these piers had nothing to do with the piers being founded on till instead of on rock.

The trouble was that the placing of the concrete required the glacial till to be certified as clean before the concrete was poured. Our consulting engineer, Mr. P. L. Pratley, who was, I believe, considered to be about the best bridge engineer in the country, certified that the surface of the glacial till was clean and in satisfactory condition. When the concrete had set we found that the surface of the till had not been properly cleaned, which was the reason for the poor adhesion and the trouble that occurred. We hired a firm of consulting engineers, the best we could possibly obtain in this country, in our estimation—the Foundation of Canada Engineering Corporation —to investigate the mistake and try to find out on whom the blame could be placed, and the report made by this firm was to the effect that as the consulting engineer employed by the St. Lawrence seaway authority, Dr. Pratley, had certified that the surface of the glacial till was sufficiently clean, the St. Lawrence seaway authority would have to assume responsibility for the mistake, and that has been done.

I believe the last question which was asked by the hon. member for Vancouver East was whether it was considered good engineering practice for consulting engineers to carry out the inspection work on projects they had themselves designed. I am informed that this is the case, because the consulting engineers who designed the work are in the best position to examine the work done by the contractors and determine whether it has been carried out as specified by them. That is why this practice was followed.

Mr. Allmark: Mr. Chairman, I have listened very carefully this afternoon for the answer to a question which has bothered me since I came to this house. I listened to the former minister of transport, the hon. member for Laurier, because I felt that surely today I would be told the answer to this question. The question is: why did not the St. Lawrence seaway follow the same channel through to lake Ontario as has been followed by shipping since the beginning of time?

Kingston has been a thriving port since shipping began. Perhaps I should describe to the committee the western 25 miles of the St. Lawrence before it enters lake Ontario. About 25 miles east of Kingston the St. Lawrence river is divided by Wolfe island; on the south side of Wolfe island is the United States channel and on the north side is the Canadian channel. During past years about 90 per cent of the shipping travelling through the St. Lawrence river into lake Ontario passed through the Canadian channel. When the St. Lawrence seaway was begun, there was one small section about three-quarters of a mile in length at the east end of Wolfe island which required to be dredged from its present 16 feet to the new depth of 27 feet. The cost of this work would have been about $1 million. Had it been done that one section alone would have permitted shipping to travel up through the Canadian channel for the last 25 miles of the seaway into lake Ontario. However, the decision of the previous government was that this $1 million could not be spent on the dredging operation —and this after spending $300 million—with the result that traffic on the seaway is to be diverted from the Canadian side away from the thriving port of Kingston. I say Kingston is a thriving port because last year

shipments out of Kingston amounted to approximately a million and a half tons. One million and a half tons going through the seaway represents between $600,000 and $700,000 to the seaway authority under the proposed rates. Yet the former minister of transport and the seaway authority decided, for the sake of a million dollars, that this Canadian channel should be excluded from the seaway.

I believe we have something like 500 ships from Kingston which proceed down through the St. Lawrence seaway. It is necessary now to take the United States channel, go into lake Ontario and steam 18 miles back into the port of Kingston. I might say that 18 miles for 500 ships represents about $100,000 a year in unnecessary operating costs. For the sake of $1 million we are going to involve the shipping companies in an unnecessary expenditure of $100,000. I claim that this has been a piece of bad planning on the part of the previous administration and it demonstrates a lack of foresight on the part of the previous minister of transport. The western end of the St. Lawrence river has been blocked off and the channel must now go through on the United States side. This has the effect of making the port of Kingston a backwater port.

We have heard some answers today and this is a question to which I should like to have an answer. Why, for the sake of $1 million when we were spending $300 million, did the previous administration see fit to block out the thriving Canadian port of Kingston?

Mr. McMillan: Mr. Chairman, I am interested in this resolution under which we are making available to the seaway authority additional money to complete the project. I was also interested in hearing what was said today about the Welland ship canal. I happen to live along that canal and I can assure hon. members of the committee that there is much rock in that area. I personally could not understand the early estimates of the cost of deepening that canal. I inquired about it at that time and was informed that the engineers reported that it would cost something under $2 million as I recall it. The former minister of transport in the Liberal administration, the hon. member for Laurier, who was also the president of the St. Lawrence seaway authority certainly could not have known about the rock that happens to be under the water for miles in that area both winter and summer. He is a lawyer by profession. The hon. member for Carleton today in his remarks enunciated the principle that a minister must be responsible for those who give information in his department. I recalled that the other day when the Minister of Finance had made an understatement of $10 million with respect to the increased interest on the conversion loan he blamed the deputies in his own department. I believe it is much the same thing. The Minister of Finance is supposed to be a mathematician and the hon. member for Laurier is a lawyer.

I have one or two questions to direct to the Minister of Transport. Since the tolls are supposed to amortize the cost over a period of 50 years I was wondering what effect the increase we are voting here today might have on the tolls. On January 18, 1959, as reported at page 1383 of *Hansard*, the minister gave us the main features of the proposed toll structure. I wonder if the proposed tolls will be increased on all or any part of the St. Lawrence seaway because of the sum of $335 million referred to in this resolution?

Mr. Small: Mr. Chairman, I have taken a keen interest in the subject of the St. Lawrence seaway for longer than I would care to mention and I have spoken on the subject in this chamber on previous occasions. In my comments this afternoon I shall probably refer to some of the remarks made by the hon. member for Laurier and the Leader of the Opposition.

It was related today that the seaway became a reality only after a period of many years in which many difficulties were encountered. The concept of the seaway developed about a third of a century ago, as accurately as I can place it. The idea evolved in the mind of Sir Adam Beck who conjured up a picture of power needs in Canada. He made an assessment and learned that the only way further power could be secured was through the development of the St. Lawrence seaway. He was cognizant of the fact that power could not be secured unless it were related to what was referred to as a deep waterway development through which commerce and transportation by water from the sea could go through. Efforts were made to secure agreement between the various levels of government concerned and these efforts met with varying success encountering difficulties created by the interests of the port of Montreal and the electrical power barons of the day. When a degree of accord had been reached additional difficulties were encountered from vast lobbies in the transportation and electrical fields in the United States. It began to appear unlikely that agreement could be reached. All efforts to secure accord appeared futile.

Eventually the time came when the resources of the United States became depleted. It was known that natural resources abounded

in Canada, particularly in Quebec and northern Ontario. It appeared necessary that the project be undertaken in order to bring the raw resources and particularly iron ore from Canada to the great steel mills of the United States.

At that time, as was stated by the Leader of the Opposition, the Canadian government took a strong position or, in the vernacular, "got tough". The government told the United States that they had monkeyed with the project long enough and that Canada could now see its way clear to proceeding with the building of the seaway and the canals on the Canadian side without assistance. The government made a good case and was able to impress on the United States that it meant business.

Negotiations got under way immediately and there were interesting ramifications as a result of the stand taken by the Canadian government. One individual in the United States defence department is reported to have said that the United States would be asked to pay about one-third the cost and Canada would pay the rest. He expressed the opinion that it was a good investment and urged the United States government to accept it. To a degree the United States lobby had been broken down. An individual in another department of government in the United States pointed out that if Canada were to proceed with the project independently it would have complete control of the seaway and the channel and therefore as a matter of security the United States government should participate. Negotiations continued and an agreement was reached. There were some obstacles with respect to power development but, as was mentioned by the hon. member for Laurier, the late Robert Saunders of the Ontario hydro did a remarkable job in persuading the appropriate authorities in the United States to reach agreement with respect to power projects. This was perhaps the greatest difficulty encountered throughout the 33 years of negotiations.

As a result of this a series of agreements were reached culminating in the agreement in 1951 between Canada and the United States. This operated very well until the usual powerful lobbies in the United States began to operate. The powerful interests in Canada that were opposed to the project were no longer a source of concern because they recognized that the seaway would have beneficial effects. The lobbyists in the fields of transportation and electricity in the United States, combined with other pressures, to effect changes in the 1951 agreement. The Wiley-Dondero Act 1954 came into being in the United States which resulted in changes that nullified the 1951 agreement. Regardless of our toughness, the agreement was signed and the two seaway entities were set up and in the future we will see how the new set-up will work out in the operation of the seaway. Time will tell.

The reason I entered the debate is that the ports of Hamilton and Toronto in the province of Ontario are very seriously affected; not only that, but the whole of the Dominion of Canada is involved in this seaway. In fact, every segment of our community is vitally interested in this because of the tolls that are to be imposed. I speak of it because tolls are being added to a section of the seaway on which tolls by agreement are not imposed. I refer to the Welland canal. In the past this canal has been free of tolls.

Yesterday the Minister of Transport indicated that $23 million was the increase involved in deepening the canal to specifications determined in the autumn of 1955 and that the total for that section would amount to something close to $30 million. This amount will have to be recovered from tolls. The hon. member for Carleton has very effectively outlined the situation in that area and he has relieved me of the chore of bringing up the matter of the Welland canal. He has shown that there have been many miscalculations, but I would put it down to inefficiency because they did not use the information which was available in the various departments. If they had used that information many of these extra expenses would have been avoided.

There are other things that relate to this but they do not necessarily involve further penalties on the Welland canal. They do however, relate to the whole operation and they are significant of what has taken place since the commencement of the building of the St. Lawrence seaway. I am not going to go into the figures; they are here. They really amount to a 60 per cent increase in the original cost that was estimated during the years. We admit that some increases are justified. There will be certain things that will creep in after a contract is let which cannot be anticipated at the time the contract was let. I refer to increases in wages, and so on, which are caused by rises in our cost index, which have their effect on labour. No one is complaining of that. Some of those items are necessary. I will not deal with them seriatim; they amount to $104 million. As I look at them I presume that our government is going to have to pay in excess of what was estimated in the first place. I will not touch on all of them because some of them are pretty steep. I presume they are going to be paid by our government and I

suppose a like amount is going to be paid by other entities. For instance, I find this item:

Additional cost to provide a high level Mercier bridge rather than a lift span to provide facilities necessary to take care of future expansion of Mercier bridge by the province of Quebec, $11,000,000.

Apparently, this is a projection into the future. They are making changes to take care of future expansion which will save future exorbitant costs. I agree with that. This is important so far as the city of Montreal is concerned and I suppose under those circumstances they are going to pay their share. I do not think there will be too much to complain about there because projects of that nature are undertaken for the benefit of the people of Canada. No doubt it will entail increased costs but we are getting something for our money. Then, we come to this item:

Two railway single track lift bridges (C.P.R. crossing) rather than one double track, $1,000,000.

I suppose they are going to pay their share out of the railway crossing fund which is appropriated from year to year. Another item reads:

Four-lane highway tunnel at Beauharnois in place of lift bridge (by request of province of Quebec), $2,500,000.

This is a good investment and I assume the province of Quebec will be paying its share of the cost here.

We now come down to the international rapids section. I would like to elaborate on this. It has not been touched on in the committee but it is in that district. Last year we were given the opportunity of making a trip to that section of the St. Lawrence seaway. We were glad to visit that section. The former minister of transport, now the hon. member for Laurier, mentioned the fact that when the Minister of Transport opened up some new sections of the seaway he forgot to give the hon. member for Laurier the credit he was due; he did not tell him what a wonderful job he had done when he was minister of transport.

Mr. Chevrier: I said no such thing.

Mr. Small: The hon. member implied that.

Mr. Chevrier: I said no such thing in the course of my remarks, as the hon. member for Danforth would have known had be been listening to me.

Mr. Small: I was.

Mr. Chevrier: If he had been listening to me he would not have made the statement he did. On the contrary, I said that if the minister were opening future facilities he—as he did in his remarks yesterday—should make some reference to the previous administration. I did not refer to myself at all. The "previous administration" means the previous government.

Mr. Small: I will accept that explanation, Mr. Chairman.

Mr. Chevrier: Thank you.

Mr. Small: I could tell a story about an individual whose name I must not mention. I could tell what he did and what he had to say about the canal and just exactly what he meant. The hon. member for Laurier has not been very reluctant to take credit for what he did, and I am not disputing his right to do so. I think he has been given a good deal of credit for the work he did as minister of transport and also as chairman of the seaway authority; but at the same time if people are taking credit for the good things they did, then they must also take the blame for the mistakes that have been made by their agency. If they are going to take the credit, then they must take the blame also for miscalculations. On the whole, it has been a good job. Some of the engineering feats have been outstanding. There have been some gross faults and there have been serious miscalculations. Since the hon. member was the head of the organization he is responsible for every man under him and it was his duty to see that the job was done well.

We had some outstanding men on that project. One of the men who was very prominent in so far as the operation of the seaway and power development was concerned was Mr. R. A. C. Henry. They had his advice and experience at their disposal. We were to look to him for the solution of the difficulties that were encountered but we now find ourselves in a position where there have been miscalculations, mismanagement, and a lack of proper engineering.

I should like to come back to what I started to say about the trip that we took last year. We visited all of the installations and saw what had been accomplished and it certainly was to the credit of the engineers. When we got down to Beauharnois project we found that it was in the building process and the gentleman who was giving us information as we went along said that this was the part that was holding them up. He said it would not be finished until next year because of certain conditions. He said it was the intention to open up the seaway this year but whether that was the permanent target date or the hoped-for target date in the estimates it would not be properly finished until this year because the target date was set at too short a time. Nonetheless, what happened

at Beauharnois was that they ran into unforeseen difficulties. Probably I had better give the story the way the minister explained the situation yesterday. As found at page 1163 of *Hansard*, the minister said:

> On general grounds they contend that favourable consideration should be given because a creditable job was done, essentially in time, but that in order to do so unanticipated and increased costs were involved and severe losses incurred. The authority points out that to complete in time was a primary obligation under the contracts and that each individual claim—

And so on. The minister went on to say:

> The authority is of the view that, in some cases, additional costs would have been avoided had the work been effectively and efficiently executed throughout the period.

As to the Beauharnois canal we were told by the gentleman directing the party that there was exceptionally hard, abrasive sandstone there. It was so hard that it wore out a drill every ten feet. It wore out the teeth in a day on the shovels that were excavating. Tires on the trucks that were operating there wore out in 100 hours which meant a cost of $600 every 100 hours. All these things had delayed construction of that particular section, so much so that it could not be opened until this year and even now I understand it is not entirely complete. Where were the engineers of the department? Were contractors asked to figure and estimate without information on soundings or borings being provided by the department?

The same applies to what was said by the hon. member for Carleton. Everybody knows that the escarpment running from Hamilton all the way over to Niagara Falls, in which region the Welland canal is situated, is all limestone. Everybody knows that. The limestone has always been there. Limestone was encountered when the great hydro installations were made at Queenston and Niagara Falls. It was nothing new that there was limestone there, but nevertheless difficulties were encountered. Why were borings not made? Why was there not proper exploratory work to find out what the terrain was like. Where was this great engineer who was supposed to be the best man in the country? Where were the other departments? Surely there are geologists in the country who could have provided the information without trouble so that the contractors would have had an opportunity to do their work right. That is what was inefficient and it is the responsibility of the then minister and the department.

The former minister has tried to reflect glory on the previous government for what it did but the fact is that there is all this added expense which the people of Canada are going to have to pay in the years ahead. If there were any justification for the added expense I would have nothing to say but the fact is that there was gross inefficiency somewhere in the department in not getting the necessary information. I have never heard tell of a contractor not being given full information as to what he was up against or being asked to get it himself. Therefore I think there has got to be a lot more explaining done.

I am not going to enter into the matter of the division of work between the United States and Canada. That was done under agreement. There has also been wonderful accord between the Department of Transport, the seaway authority and the Ontario hydro-electric. They have worked together very well and everything seems to be all right. We are going to get power that this country needs.

But now we have these figures presented to us and a request for an increase in the borrowing power of the authority. I will grant that there is a genuine reason for some of the many deficiencies, but now that the whole thing has been exposed we see that the builders of this wonderful seaway authority which was supposed to be doing such a good job did not get the required information that would have saved the country all this added expense. The ex-minister of transport and former chairman of the St. Lawrence seaway authority can talk all he likes and make all the explanations he likes but the culpability is on his shoulders because it was his responsibility to see that the engineers and other people in his department carried out their duties properly.

Probably the best thing that ever happened the country was the change of government because we can now bring to light the gross inefficiency that has been going on for years and about which we told the people before the election. Having said that, Mr. Chairman, I hope that the hon. member for Laurier will be given the opportunity of replying.

Mr. McIlraith: Oh no, he will be ruled out of order.

Mr. Small: The fact is that the committee was interested enough in the matter to give him permission to speak a second time. We want to try to get it cleared up so that this will not happen in the future. Be that as it may, Mr. Chairman, in what I have said I do not want to detract in any way, shape or form from the valuable work of the various officials, engineers and tradesmen who discharged the work efficiently. They had to go by the plans they were given. At times plans

were not ready for them. In his statement yesterday the minister had this to say with respect to claims:

> —claims based upon alleged undisclosed ground and water conditions; claims based upon alleged interferences with scheduling work for various causes, including changes in plans and delays in providing plans by engineers of the authority.

That again relates to the department of which the hon. member was in charge. Therefore he will have to do a lot more explaining about the wonderful job they did together. We will have to pin him down. What happened to his engineering department that they did not make the proper investigations and explorations? He will have a terrific job to explain these things. He has the ability to get out of things if he can but the figures are there and the present minister's statement is there and the former minister is just as culpable as the engineers of his department. If he did not have qualified engineers then he could have secured them because we have them in this country. He could have got the rubber companies and others to bring their products up to date. With all the wonderful scientific achievement in this country the situation would have been improved if he had been on the job.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8.00 p.m.

Mr. Small: Mr. Chairman, in the few moments that I have at my disposal, I will try to sum up briefly one or two of the items that I have mentioned. I should like to refer particularly to something that was said by the hon. member for Welland. I was surprised to hear him say that the difficulty they ran into on this venture which caused a great deal of trouble was the fact that they found water and stone in the canal. It just ran through my mind what he expected to find there. Certainly he would expect to find water anyway. Stone was also there. If they had taken proper precautions and taken proper soundings and conducted the proper tests they would have found out about these things.

Since 1903 the Welland canal has been free of tolls. In fact, great lakes shipping since that time has been free of them by agreement with the United States that there was to be no charges or tolls on lake traffic of any kind, and that principle had been accepted down through the years. Now we find what is taking place, and it relates very much to the extra costs of the Welland canal. Some think it is going to run about $29 million. That is the reason why tolls are going to be imposed.

Great difficulty is going to be caused to shipping and the economy of the province of Ontario particularly because its raw supplies are tied so greatly to shipping, and the difficulty spreads out to all the rest of Canada. There will be serious repercussions later on in connection with shipping of wheat from the west. But on top of all that, instead of being charged against the country as it was in the United States, where they have absorbed the cost for dredging the Detroit river and the St. Mary river, which is not added to the cost, as we are being saddled on the Welland canal. The same thing in the St. Lawrence river before entering the seaway. They dredged that river at considerable cost and I think it would be similar to the deepening of the Welland canal. But on top of that, the United States marine department subsidized certain classes of shipping to the extent of $750 per day. Then there is also the further subsidizing of the building of ships up to 40 per cent, particularly those that are ocean-going. That will have an adverse competitive effect on shipping in Canada. It is going to add another burden to it. Those things have not been taken care of in the consideration of lake shipping.

One thing I missed tonight when I was summing up was the gross neglect in the things that took place at the international rapids section where they ran into difficulty because they found granite which made the work that much harder and took that much longer. All these things added together result in what we have pointed out. As I pointed out previously, the extra cost entailed in what took place at Beauharnois and also in the international rapids, with the granite they found there, piled up the costs. It has delayed the opening of the St. Lawrence seaway for practically a year. That spells out only one thing, that added cost, that is also incorporated into the general cost of the whole project and it will be reflected also in the tolls being charged on the seaway itself.

Then on top of that, as I mentioned previously, is the effect of the Wiley-Dondero legislation in the United States that slants everything in their favour and they are able to cause us considerable trouble in the future with the effect that it will have on the operation of the seaway. These things all piled up lie at the door of the previous government. I think that the responsibility to a certain extent rests on the hon. member for Laurier because of what has happened. But you cannot saddle it completely on him—

Mr. Chevrier: That is something.

Mr. Small: —after having done a good job. However, I think there should be a searching examination in the department of the government or in the seaway authority to find out who is responsible. I suppose you might properly term it an abortion as far as the Welland canal is concerned. I think we should find out who is responsible for advising the administration at that time. Then we should look them over and, if we find who were responsible for advising the St. Lawrence seaway authority we should then get rid of the whole caboodle of them and employ a new lot who will do a better job. Under these conditions, Mr. Chairman, I would suggest that this whole matter, after this resolution has been passed, be sent to a committee. I go along with the hon. member for Vancouver East that this matter be sent to the public accounts committee in order to give us a chance to see if we can ferret out the responsible party.

Mr. Chevrier: Mr. Chairman, I have listened with great care to the arguments that have been advanced by certain hon. gentlemen in the committee this afternoon and really I am amazed by some of those statements. I am amazed—and I say this respectfully—at the lack of knowledge displayed by certain hon. members of the statute itself and of other public documents having to do with this project. Notwithstanding the fact that I had dealt at great length during the course of the afternoon with the manner in which costs had been increased, it never occurred to any hon. gentlemen on the other side of the house to see where the responsibility, if any, lay other than to direct it toward the hon. member for Laurier.

Mr. McPhillips: You sat on it for years.

Mr. Chevrier: All right. I am willing to deal with my responsibilities and I am willing to accept them, but I am not willing to sit in the house and listen to some of the inaccurate charges that have been made during the course of the afternoon and I expect to be able to establish the fact that they are inaccurate in the course of the next few minutes. Notwithstanding that hon. members have pointed in this direction, nobody has said a word about the fact that power costs have increased from almost $400 million to $600 million. Notwithstanding that Canada was responsible in its application to the international joint commission for that aspect of the project as well as for the navigational aspect. I refer again to the application which was made by Canada jointly with the United States to the international joint commission and which deals with an application, not for navigation but for power development in the international section and which in section 8 sets out the manner in which that power development shall be built and shall be produced. It follows almost word for word this public document which was circulated for years by the Department of Transport. How is it that from the time—and I am going to come back to 1922 in a moment—this document dated 1949 was published until this date, and from the time the application was made to the international joint commission in 1952, no one has said anything in connection with the estimate of costs prepared by Canada, prepared by the engineering branch of the Department of Transport and which at that time indicated that the power costs would be somewhere in the neighbourhood of $400 million to $420 million. While we do not know what they will be now, they will probably be in the neighbourhood of $600 million without having any regard to interest during construction. Are you going to direct your finger at me because of these increases of close to $200 million? Are you going to direct your indignation at the hon. member for Laurier or at the federal government? If you are I have no objection, because the persons and the division responsible for the preparation of those costs are the same as those responsible for the preparation of the seaway costs.

I want to deal with the hon. member for Carleton, who, to say the least, has made very strange charges in this house. I can hardly believe that a man of his integrity would rise in this house and during the course of the afternoon, for almost 30 minutes, make the charges which he did. I say to him with all respect that no hon. member conscious of his responsibilities as a member of parliament would have made the charges which he made this afternoon.

Mr. Bell (Carleton): How ridiculous can you be?

Mr. Chevrier: My hon. friend says, how ridiculous can I be? Let him listen.

An hon. Member: You deserve it.

Mr. Chevrier: My hon. friend started off by saying that his theme would be very simple, and his theme was this, the control of parliament over public expenditure. That without immediate and full disclosure of unavoidable mistakes which should be accounted for to the house, it can exercise, unless it gets all the facts, no real or effective control over the public purse. Let us see how this business operates. If my hon. friend had gone to the trouble of consulting the St. Lawrence Seaway Authority Act, which apparently he did not, he would have seen that under the authority of that act there are three members appointed to act together

and in consultation with each other. It is not only one, but three. He would have seen further that the decisions of the St. Lawrence seaway authority are taken after consultation by the members with each other. Those decisions can be found in the minutes of the St. Lawrence seaway authority from day to day, from week to week, and often meetings were held twice a week. Also, if he had consulted the St. Lawrence Seaway Authority Act he would have seen how the method of borrowing by the St. Lawrence seaway authority is established and proceeded with.

Since he does not know it, I will have to tell him how it is done. It is done pursuant to section 80 of the Financial Administration Act, which says that each corporation under schedule D—and the St. Lawrence seaway authority is a corporation under that schedule —shall submit a capital budget for the next financial year, a budget which must be approved of by order in council before it is tabled in the house. So that every budget of the St. Lawrence seaway authority which was produced in the house and tabled here, either by the previous administration or by this administration, has had to obtain the approval of the governor in council, has had to obtain the approval of the government, and has had to obtain the approval of the former government. As I shall show in a moment, the details of this may astound my hon. friend.

Mr. Tremblay: Pas de colère.

Mr. Chevrier: My hon. friend says "pas de colère". I shall do my best not to lose my temper, because I could lose it in the face of some of these ridiculous accusations which we have heard of today. I go on. Section 85 of the Financial Administration Act says that the corporation must file a balance sheet, and must furthermore file an annual report within three months after the termination of the year, containing a statement of account of the balance sheet which must be submitted to parliament. As I said earlier, the St. Lawrence seaway authority, acting under the authority of the Minister of Finance, must lay before parliament a report on every loan made to the authority in order to allow it to pay for the expenditures which are from time to time made by that authority.

Mr. Bell (Carleton): Who let these major contracts?

Mr. Chevrier: Let me go on and you will see who let them.

Mr. Bell (Carleton): To the extent of $19 million.

Mr. Chevrier: I am dealing now with some of the charges of my hon. friend, and if he will allow me to pursue them I think I can show of just what material those charges are made.

Mr. Bell (Carleton): They are not charges; they are the truth.

Mr. Chevrier: Let me stick to the facts. The first budget which was tabled in this house was tabled when I was president of the St. Lawrence seaway authority by the former government and is for the year 1955. It provides, as the Minister of Transport has already stated, for a capital expenditure for the year 1955 of $205,535,000, detailed in three pages. That was tabled in parliament, and dealing with the Welland ship canal there is an item of $2,025,000.

Then the following year, 1956, there was again tabled the budget of the St. Lawrence seaway authority, again in three pages and in great detail. It divided the sections of the seaway into their various amounts and the total expenditure for the year 1956 was $213 million; for the Welland canal section it was, $3,510,000 in 1956. Parliament therefore had an opportunity in 1956 and in 1957 of seeing not only these two estimates which I mentioned, but also of voting them.

Then came the year 1957. I cannot remember, of course, if I was still president when this was tabled because I do not remember the date on which it was tabled. I retired as president of the St. Lawrence seaway authority in April 1957.

Mr. Bell (Carleton): They were tabled while your government was still in power.

Mr. Chevrier: Be that as it may, your government was in office from the month of June 1957 until the end of the year and had the opportunity of considering these estimates. Now, what were they? Let the house see what they were. They amounted to $284 million, and when you come to the detail for the Welland canal section it had reached $23,925,-000. That was voted by the hon. gentleman's friends when they were in office, and when he was there did he criticize this estimate for the Welland canal? Not a word. Not a whimper.

Then came the year 1958, when again the budget of the St. Lawrence seaway authority was tabled by the present government, under the direction of the present Minister of Transport. And what have we got? We have estimates this time amounting to $322 million, and for the Welland canal section, $25,973,-000. That was last year. Did the hon. member for Carleton say a word about this?

An hon. Member: Not a word.

Mr. Chevrier: Did the hon. member for Carleton discover last year that there was

anything the matter with the amount of money which was being expended for the Welland canal, or did he just discover it when he made his speech a while ago? Furthermore he was the parliamentary assistant to the Minister of Finance, with whose approval this report and this budget must be tabled in the house. Now, I ask how ridiculous is it—

Mr. Bell (Carleton): Should we have repudiated the contracts?

The Chairman: Order.

Mr. Bell (Carleton): May I ask the hon. gentleman if this present government should have repudiated the contracts which his government made?

The Chairman: I must ask hon. members to respect the authority of the chair. It is not permitted to interrupt the hon. member who is speaking, and I will therefore ask hon. members please to permit the member for Laurier to finish his remarks.

Mr. Chevrier: Thank you, Mr. Chairman. Hon. members who have taken part in this debate have complained that there has been no publicity, no knowledge, no news. Let us take a look at the record. In 1956, when I was still there, there was produced by the St. Lawrence seaway authority a progress report dealing with each contract in each section, and on the last page but one is contained the list of all the contracts awarded until that time by the seaway authority. Then in June of 1957, when I was no longer there and when the present Minister of Transport and his government formed the government, there was produced another progress report giving the position of the seaway authority contracts as they stood at that time. There were four contracts awarded in respect of the Welland ship canal—McNamara Construction Company Limited, Canadian Dredge and Dock Limited, J. P. Porter Company Limited, and Russell Construction. These are the four major contracts about which the hon. gentleman complained and they were contained in this report made by the administration of which the hon. gentleman was a member.

Then came the month of December, 1957. A similar report was issued in detail, publishing all the contracts, and again there appeared a list of the contracts up to date concerning the Welland ship canal. I am told that another of these progress reports was published in the month of June, 1958. I have not seen it. I presume it was far more up to date than this one, but there is, I am sure, a detailed statement of the contracts that were given. More than that, there was never a contract given by the St. Lawrence seaway authority which was not fully publicized; publicized by the signing of the contract with the participants and those who were to effect the contract, made publicly in the presence of the members in the headquarters office of the St. Lawrence seaway authority in Montreal. Then a press release followed each and every contract containing the details and the amount of money to be expended.

I ask the committee: was this not the proper way in which to proceed? Apparently hon. members opposite think not. Then the hon. member for Carleton said I proceeded to place the blame upon others. I did no such thing. I did not attempt to place the blame on anyone. I simply placed on the record the estimate which was prepared by the director of the engineering staff of the Department of Transport and furnished to me when I was minister of transport. I do not know of any other way of doing it. How else could I estimate the cost? Does the hon. gentleman expect me to have gone to the Welland canal and gone down into 25 feet of water to ascertain what was there? Engineering reports have been made by Canada and the United States over the years which indicated what the position was.

The hon. gentleman spent at least 15 minutes to say that I had given the estimate for the Welland as being $1,300,000. Of course I did. I make no apology for that. He went on also to quote my remarks to the lumbermen's association. I do not remember what was said on that occasion, but if the hon. gentleman says I said $2 million I accept it because I probably did say it. There was no other estimate at the time. How else was I to proceed?

Mr. Bell (Carleton): That is all I said.

Mr. Chevrier: Yes, but you took 15 minutes to say that. If you had listened to what I said earlier you would have realized that I put that on the record almost an hour before you got to your feet.

Now the hon. gentleman says there is no comparison between the amount of information given to congress in the United States and that provided to parliament here. Mr. Chairman, that is not only true of the seaway but it is true of a number of problems having to do with both Canada and the United States. I need not remind this committee, surely, of what facilities a congressman or a senator has compared with a member of parliament or a senator in this country. They enjoy tremendous facilities compared with those available to us. The United States, being a large country, is able to spend far greater sums of money in order to make such information available.

What better proof of that could the committee want than the example of the interparliamentary United States-Canada group which went down to the United States to consider certain problems affecting our two countries. Here are two reports which we were given dealing with the problems concerning Canada and the United States, each prepared by two United States congressmen —Hon. Brooks Hays of Arkansas and Hon. Frank Coffin of Maine—one of them a general report and the other a special study of questions affecting Canada.

Why is it that we went to the United States with no detailed study prepared by Canada of the problems with which we had to deal, and why did we have to rely on information given to us by the United States? I do not make any apologies for this. It is because the facilities provided for members of the congress of the United States are far greater than they are in Canada. That is the answer to the hon. gentleman when he states that there is far more information available in the United States concerning this project than there is in Canada.

Then the hon. gentleman said that contracts awarded up to 1956 on the Welland ship canal amounted to $19,546,000.

Mr. Bell (Carleton): In 1956, not up to 1956.

Mr. Chevrier: I accept the amendment which has been made and I say that the contracts awarded in 1956 for the Welland ship canal, amounted, therefore, to $19,546,000. Why was this not pointed out to parliament, he stated? I have referred to the budgets tabled in the house. I have referred to the progress reports made by the seaway authority. I have referred to the press releases made by that authority. But the hon. gentleman goes on to say that in so far as he could discover no information was ever given. If the hon. gentleman wants to continue making statements of that kind when the information is right before him in parliament and when he did not even take the trouble to go and consult the files, I cannot of course, prevent him.

Having said this he went on to state that a contract went to J. P. Porter on the Welland canal on September 26, 1957, for $1,283,900. The hon. gentleman's friends were in office when this took place and the amount of that contract is almost the same as the $1,300,000 which I announced as the estimate in 1951 and which he is complaining about. Why did he not investigate when he saw that one contract alone amounted to $1,283,000? This sole contract, this one contract given while the present administration was in office, amounted to as much as the estimate. The eighth contract, he stated later, went to a dredging firm for $351,000. Did the hon. gentleman seek at that time to find out why it was that there was this difference between the estimate of $1,300,000 and the amount which the minister has expended?

The hon. gentleman went on to say in a trembling voice: I have searched the annual reports of the seaway for the year ending December 31, 1956 and have failed to find a single sentence to indicate anything about these contracts. In the face of what I have put on the record, surely he is not in possession of the facts, and surely he cannot be serious in making this kind of statement. Now then, I come to the crowning achievement of the hon. member for Carleton. Here is what he said: "Any school boy should have known that the Welland escarpment was made of rock".

Mr. Bell (Carleton): Pre-school boy, I said.

Mr. Habel: That is what you look like now.

Mr. Chevrier: I will accept my hon. friend's correction. Let me tell the hon. gentleman and those who sit with him on the government side of the house that the government of the Right Hon. R. B. Bennett in 1932 apparently did not know it. Let us see what happened with respect to a treaty that was signed between Canada and the United States, the deep waterway agreement of 1932. If my hon. friend will take the trouble to look at this treaty he will find that the report that is incorporated in the treaty is the one dealing with the St. Lawrence waterway, the report of the joint board of engineers made in 1926. At page 24 of the report of the joint board he will find a statement to the effect that the cost of a 27-foot channel for the new Welland ship canal in addition to the present project would cost $1,100,000. That information was incorporated in the treaty signed by the Hon. R. B. Bennett and the then secretary of state for the United States which indicates that at that time the estimate was taken to be $1,100,000. That is the estimate that was carried forward from 1926 to 1932 and again to 1941 when the great lakes waterway agreement was signed. It was carried still further and incorporated in the application which was made by Canada to the international joint commission in 1951.

Mr. Bell (Carleton): How many years ago is that?

Mr. Chevrier: My hon. friend has been pointing his finger in this direction instead of pointing it in the other direction. Let me

point out to him that the fault, if it lies anywhere, does not lie so much in this direction as it does in the other direction because he failed to ascertain what the facts were before he made his speech.

I say to you, Mr. Chairman, that if the responsibility lies entirely with the former minister of transport we must consider the responsibility of the present Minister of Transport. The responsibility of the present minister with reference to the contracts which have been given since is equal to that of the former minister of transport.

Mr. Bell (Carleton): Oh, nonsense.

Mr. Chevrier: I say that because there can be no doubt that if an error of this kind existed surely it should have been discovered when the present administration came into office. Surely some responsibility must be laid at the doorstep of the other officers of the government. I am not directing my attack at the Minister of Transport alone. There are other officers who advise the Minister of Transport and he in his everyday responsibility must accept that advice. Otherwise, how could he get along or administer the affairs of a department? That is exactly what happened in this case.

Then it was said by the hon. member for Carleton "Oh, so far as we were concerned there was no option on the part of the government other than to proceed and excavate to the summit level." In so far as the contracts awarded prior to the present government coming into office were concerned surely the moment this error was discovered the government should have investigated, gone to the source and made sure that an error such as has been complained of had been corrected. And later when the government gave a number of contracts, did the government investigate to ascertain what the present position was? Of course not. Members of the government discovered it when they investigated last night on the occasion when they decided to make speeches on this matter.

The hon. member for Carleton then went on to say if the hon. gentleman—referring to the hon. member for Laurier—had come to the house at the time as he should have and made a frank confession of the errors of which he was guilty then the present government would not be faced with the problem that confronts it today. Let me tell him at once that I could not have come before the house at that time because I was not then a member of the house. At that time I was a member of the St. Lawrence seaway authority.

Mr. Bell (Carleton): But you were when you complained of this.

Mr. Chevrier: I did take certain steps, however. Following the responsibilities that were charged to the St. Lawrence seaway authority under the various pieces of legislation that obtained, I tabled the information which the house has had over a period of four years during which time it has had an opportunity to consider and discuss.

My hon. friend said that if I had done that and confessed my errors the government would not have been faced with the problems confronting it today. In reply I say this: You have been faced with those problems for two years now, what have you done about them? Have you investigated? Have you attempted to do anything about them? At any time did you rise in your place and bring these matters to the attention of parliament? No, but you and others have risen in your places today and charged, not the St. Lawrence seaway authority or the government or the Minister of Transport but the poor hon. member for Laurier—

Some hon. Members: Oh, oh.

Mr. Chevrier: —and if you think he is going to sit here and take it you are badly mistaken.

The Chairman: Order, please. I regret to interrupt the hon. gentleman but I am obliged to advise him that his time has expired.

Mr. Chevrier: Would the committee give me an opportunity of continuing?

Some hon. Members: Go ahead.

Mr. Bell (Carleton): Let us give the hon. gentleman enough rope.

The Chairman: Does the committee give unanimous consent to the hon. member for Laurier to continue his remarks?

Some hon. Members: Agreed.

Mr. Chevrier: I thank the committee for this courtesy. I have finished with the hon. member for Carleton.

Mr. Bell (Carleton): Mr. Chairman, may I interrupt to say that the hon. gentleman may think that is true but I am afraid he is sadly mistaken.

Mr. Chevrier: I should like to deal now with that gem of prose which was uttered in this chamber this afternoon by the hon. member for Stormont. I enjoyed part of his speech but I cannot say I enjoyed other parts and if the committee will allow me to do so I should like to say how illogical and inconsequential his speech was. He accused me of having been responsible for the assassination of the city of Cornwall and for having betrayed that city. Mr. Chairman, I have been in parliament for

almost 21 years now and I have never betrayed anyone let alone the city of Cornwall or the county of Stormont. My friend the hon. member for Stormont has never understood the project—the 238-242 single stage control scheme—that is taking place in his constituency or else he would never have made the speech he did.

Mr. Grafftey: But he never headed the St. Lawrence seaway authority.

Mr. Chevrier: If the hon. gentleman had understood the project then at least he would have said that here we have at our very door right in the city of Cornwall a power project which has cost no less than $300 million and perhaps more. There were other sums of money spent in that area arising out of the project such as, for the relocation of highway and railway routes, for the re-establishment of communities all along the water front, for the establishment of the new St. Lawrence seaway authority building and for the construction of the future 27-foot facilities. I say to the hon. gentleman who suddenly has complained about what has happened to the city of Cornwall that he has been delinquent in his duty to parliament in not rising in this chamber during the last session to cry out against the situation because, after all, we now know that it did not happen over night but has been in existence for several years. Why, then, did the hon. member not rise and tell the committee what had happened?

I will tell the hon. gentleman from Stormont what is required in the city of Cornwall for industrial development, and you must have it to progress, sir, and that is power. Instead of the hon. member for Stormont going about the constituency and elsewhere condemning the Ontario hydro power commission for the manner in which it did things, he should be commending the Ontario hydro power commission for the manner in which it has developed power facilities in Cornwall. If he did that it would be far better for him because then he might be able to get some power for the city of Cornwall.

Here is what has happened. Right across the way from the city of Cornwall on the United States side two large industries have been established, one a motor car industry and the other an aluminum industry and both of these will employ somewhere in the neighbourhood of 5,000 people. Why is it that two of those industries have gone across the line? The reason is that the New York state power authority have seen to it that power was assigned to that area. I say that the city of Cornwall has everything with which to develop and if my hon. friend, rather than condemning the hydro electric power commission, were to direct his attention to the problems that are imminent in the city of Cornwall he would perhaps advance the cause of Stormont far better than he does at the present time.

The hon. member for Kingston raised the question of why navigational facilities were not provided for the port of Kingston. The hon. member is a new member and I will not take him to task but I will refer him simply to the St. Lawrence Seaway Authority Act which sets out in detail the power of the authority. It is not to provide port facilities for any city but it is to dredge a channel 27 feet in depth. In the area of the Thousand islands section most of the channel is on the United States side. Therefore, the vast majority of the work assigned in the international section was given to the St. Lawrence seaway development corporation to perform in waters which the channel follows and which have from time immemorial, I am informed, been on the United States side of the line.

The hon. member for Danforth had something to say about increased costs. Then, he said that that is the reason why there are going to be such high tolls. Let me tell him at once that that is not the reason. The reason why there are going to be tolls is that an agreement was made between Canada and the United States long before I introduced legislation in the house. Prior to 1951 the then secretary of state for external affairs rose in his place and made a statement, followed by correspondence—I have forgotten whether it was an exchange of notes or not—in which the United States and Canada both stated that the facilities for the navigational aspect of the seaway would be amortized by the imposition of tolls, would be self-liquidating and would be paid by shippers and shipping companies using the seaway. That was the understanding long before the legislation was introduced and it is in the legislation. Surely the hon. member for Danforth should have read the legislation before he made that statement.

Mr. McDonald (Hamilton South): Will the hon. member permit a question. Would that agreement also include the Welland canal?

Mr. Chevrier: The agreement to which I have reference included no section. It dealt with the St. Lawrence seaway and since the St. Lawrence Seaway Authority Act describes the seaway as beginning at Montreal and ending at lake Erie, then I take it it includes the Welland canal.

I wanted to say something about contractor's claims, but the committee has been more than generous. It is almost a quarter

to nine and unless I am given the permission of the committee to continue I shall resume my seat.

Some hon. Members: Carry on.

Mr. Chevrier: A great deal has been said about these claims by the contractors. The minister has made the position clear. I certainly have no fault to find with what he had to say. Perhaps I may be allowed to say something more on these claims.

When I left the St. Lawrence seaway authority, no contractors' claims had been filed. I had been advised that some were coming. Indeed, I would not be truthful if I were not to say that some contractors had already become anxious about what was happening and had spoken to me about the problem. However, I state unequivocally to this committee that there is nothing abnormal about contractors' claims. On the contrary, I think it is a normal thing for contractors to be claiming, particularly when prices are low. If the costs and the prices had been high the authority probably would not have had contractors' claims. It is because the contractors said that the prices were low—and they were low, because the bids were very competitive—that we have claims.

The contractors formed ventures of three or four companies and went into a corporation and those ventures were composed of the best experts of their kind in their respective fields and they went on to do this work. I say that many of those contractors were anxious to get the glamour of a seaway contract and because they were anxious to get the glamour of a seaway contract they bid low. They bid low, too, because they were in those joint ventures to guard against this competition which was heavy. I cannot remember of any of the major contracts which were not bid by the larger corporations and here I have no hesitation in saying that the major part of the work on the St. Lawrence seaway was well done. It was done by the best contractors in this country at fairly low prices.

It is true that some of the work was not well done. That is likely to happen in any great project and certainly it happened in a project of this magnitude which involved the expenditure, as the committee well knows, of over $300 million. It is therefore no surprise to me that there are claims. There are claims against the power authority of the state of New York, large claims. There are claims against the United States seaway development corporation; there are claims against the Ontario hydro power commission. Why should there not be claims against the St. Lawrence seaway authority?

The contract entered into with the St. Lawrence seaway authority was a pretty tough contract. It was a contract which had been prepared by our solicitors and contained very stringent clauses, clauses which would justify us when we saw a claim coming in taking the position that in so far as we, the St. Lawrence seaway authority, were concerned, the contractors must abide by the terms of the contract and we would not recommend changes in the terms unless there was a legal claim, and as far we could see there were few if any substantial legal claims. There may be—and I have learned since that there appear to be—some valid legal claims. I can think of one or two at the moment.

I can think of a contractor who had built a coffer dam and who, because of the ice in the Montreal area—and the members from Montreal know full well that in the Laprairie basin the ice is apt to shove and rise—found that the top of his coffer dam had been cut off and he had to rebuild it. Is that a legal claim or not? I am not in a position to say, now, nor was I in a position to say at that time. That, I said, was a matter of law. Surely the question of contractors' claims is not one for the seaway authority to determine but rather one of government policy. It is up to the government to determine whether or not there is a valid claim. I conclude that part of my remarks by saying that so far as the terms of the contract were concerned there was little in it whereby the contractor could obtain, in my opinion, the amounts which I have heard about.

However, there is another aspect to this matter, the equitable or moral aspect. I have heard it said, and I know this to be the case, that contractors claim that they encountered very difficult soil conditions. For instance, I know of two contractors in the United States who went into bankruptcy because of glacial till. One hon. member called it granite this afternoon. It is glacial till. I am informed that glacial till is as hard as concrete and that it is not easy to remove. Many of the contractors claimed that they had some of this to remove and that they should be paid higher amounts.

So I say that the contracts entered into by the seaway authority and the contractors, who in my opinion were among the best in the country, were on the whole properly carried out in a workmanlike manner with but few exceptions. The basic clauses of the contract were pretty stringent. There had to be, as I have said, some delays. There were delays. Look at the report of the 1947 board of engineers for the Lachine section. It is stated in that report and in other reports

that it will take six years to build the St. Lawrence seaway. It took twenty years to build Panama; it took more than ten years to build Welland. Yet here we were asked to build the St. Lawrence seaway in four years. That limit was fixed by a major consideration over which we had no control, namely that by agreement between Canada and the United States power had to be ready for development by July 1, 1958. As a result there remained only four full construction seasons in which to do the work.

How then could it be otherwise than that there was some haste? There were probably some delays and it may well be that there were other considerations with which I am not conversant. On the whole I repeat that in my opinion the work was executed in an efficient and workmanlike manner, and Canada was fortunate to have the kind of contractors it did to do the work.

Are the contractors entitled to their claims? That is a different thing altogether. That is a matter concerning which I am not competent to pass an opinion other than the one I expressed a moment ago when I said that in effect we in the seaway authority were bound by the contract and being bound by that contract had to determine claims in the terms of the contract. However, we took the position then as the minister is taking today, on the advice I am sure of the St. Lawrence seaway authority as it has been recomposed in the years since I left, that the determination of this matter was one of government policy and not something for the St. Lawrence seaway authority.

I think the minister has adopted the right course in bringing into the picture two independent engineers who have had experience with the hydro electric power commission of Ontario, and who certainly cannot be accused of being sympathetic to those who live in the downstream areas, in order to ascertain whether or not these claims are valid. After these two men have reported on these claims seriatim it will then be up to the seaway authority to decide whether in effect some of these claims can be accepted and whether some must be rejected. Then, finally, the governor in council, the present government, will have to decide in its wisdom whether or not these claims are valid. I thought I should place these facts on the record in so far as I personally was concerned.

I should like to conclude by again thanking the committee for its consideration of what I have had to say. I say that the seaway as it will emerge in 1959 will be a different seaway from that envisaged in 1951. In the first place, it was not built on Canadian territory as envisaged when the estimate was tabled in 1951. It was built partly in United States territory and partly in Canadian territory in the international section. In the next place, it was not put on the Montreal side of the St. Lawrence river as envisaged in 1951 but rather on the south shore on the St. Lambert side of the river. Placing the seaway on the south shore in that section necessitated modifications to three bridges which cross from the south shore to the island of Montreal, and let me tell hon. members that 75,000 cars per day cross these three bridges.

How could you instal lift spans in these bridges with 60 lockages going through the canal per day? You would tie up motor cars for miles and miles. There would be a public outcry to the situation. Nothing else could be done under the circumstances than to treat the people of Montreal fairly in the manner in which we did and modify the approaches to the Jacques Cartier bridge, which cost in the neighbourhood of $10 million, the approaches to the Victoria bridge which, as I stated earlier, could go well beyond the anticipated amount of $6 million, and the approaches to the Mercier bridge which will cost in the neighbourhood of $10 million. Neither the seaway authority nor the government of Canada could decently have provided anything less in the way of transportation facilities for the city of Montreal than was provided. If the present government had been in office it would, in my estimation, have done exactly as we did because if their members had said to them as our members said to us, you cannot for one moment interrupt highway traffic on these three bridges because there will be chaos in the metropolitan area of Montreal, they would have come to no other conclusion than to do as we did. I submit with deference to the committee that the increased expenses were warranted and that they will enure to the benefit of Canada.

Mr. Bell (Carleton): Mr. Chairman, the fury we have witnessed in the committee for the last 55 minutes reminds me of one thing only and Shakespeare said it best in Hamlet: "Methinks the lady doth protest too much". For, sir, not all the fury, not all the glibness, not all the skilful eloquence of my hon. and learned friend, the counsel for the defence from Laurier, not all these things can obscure the essential facts which were presented to the committee today. The cost of the Welland ship canal was estimated by the former government, estimated by the hon. member for Laurier, first at $1,157,000, then $1,302,000 and then $2 million. What did it cost? It is costing between $25 million and $29 million. Did the hon. gentleman in anything he said tonight try to justify that? No, he tried simply to obscure the issue.

He tried to use all his skill as a counsel in order to obscure what is the essential fact; and the essential fact is this. That increase in the cost of the Welland ship canal will be paid for by the users of that canal; the farmers of western Canada, the manufacturers of western Ontario and the consumers of Canada west and east. Those are the people who will pay for the outrageous miscalculations for which the hon. gentleman is primarily responsible. I know that he has sought tonight to conceal the fact that over $21 million of contracts were let by him in his capacity as president of the St. Lawrence seaway authority for a project for which the department of which he was head—he was the responsible minister—estimated the cost to be $1,157,000. The hon. gentleman says to us tonight, "What ought the present government to have done?" They accepted it, he says. They accepted the figures that were put forward he claims. Well, what does he suggest? Does he suggest that the expenditures or that the amount of $21 million and more put into this project ought to have been abandoned by the present government? Ought they to have repudiated the contracts which my hon. friend entered into, the very contracts which bore his signature? What would he have said in the House of Commons tonight if this government had repudiated the contracts which bore his signature?

There is one thing that I neglected to mention earlier. The hon. gentleman says that he did not know there was rock there. Did they think that Niagara Falls is made of sand or green cheese or what? Really, Mr. Chairman, how nonsensical can the hon. gentleman be in his approach to this issue? All the previous government intended to do at the outset was to dredge silt. Apparently the nasty old rock got in the way. The last time I heard that story, it was the reverse. The story then was that they intended only to excavate rock but it was the nasty old water that got in the way that time. I refer to the subterranean passages in the printing bureau. How desperate and unfortunate can the hon. gentleman be? First he has a surplus of water and then he has a surplus of rock. If he could only achieve a balance between them, how happy would he be.

The hon. gentleman draws the attention of this committee to the budget of the St. Lawrence seaway authority and he suggests to this committee that this was produced before the house in a manner to assure parliamentary control over the expenditures of the authority of which he was head. All right. I have in my hand the estimated capital expenditures during the fiscal period January 1 to January 31, 1956, and under the heading "Total Estimated Expenditures" we find under the Welland section $9,620,000 as the total estimated expenditure for that section and the amount to be expended during the year 1956 is $3,510,000. It was revealed to the committee this afternoon that during that same period of 1956 the hon. gentleman put his signature to contracts worth $19,500,000. That is the type of estimating the hon. gentleman does. The hon. gentleman in his fury tonight assured us that at all times he disclosed to the house the full facts. In his estimate in his budget he discloses $9,620,000 as the total and $3,510,000 for that year, and he puts his own signature to $19,500,000 worth of contracts. Mr. Chairman, I do not rest my case on that. What I submit to the committee and to the country in putting before them the facts is this, and I do not need to do it with the fury which the hon. gentleman developed this evening.

Mr. Habel: The hon. gentleman is doing worse.

Mr. Bell (Carleton): Let me deal directly, honestly and honourably with the charge that the member for Carleton has been something less than assiduous in the discharge of his duty in not raising this matter in the year 1957 or 1958 rather than 1959.

Mr. Pickersgill: When the hon. gentleman was parliamentary assistant to the Minister of Finance.

Mr. Bell (Carleton): Oh, the hon. member for Bonavista-Twillingate is raising the suggestion that I was parliamentary assistant to the Minister of Finance. Yes, Mr. Chairman, I was parliamentary assistant to the Minister of Finance.

Mr. Pickersgill: Or is the hon. gentleman overlooking that?

Mr. Bell (Carleton): I include that in exactly what I am going to say. I say to the hon. member for Laurier that the best way to beg an issue is to ask, as he did tonight, "why didn't you do it before?"

Mr. Pickersgill: Oh, oh.

Mr. Bell (Carleton): I am not the one who is begging the issue. As far as I am concerned, I have never desired to score debating points in respect of this issue. The straightforward reason why the member for Carleton did not enter into this issue previously was just this. He was a new member in the house, 20 years the junior of the hon. member for Laurier, and was trying to learn many things in this house in a short period of time. That is the honourable answer to my hon. friend. It was only when I had the opportunity in recent

times, with the assistance of constituents of mine who have made a study of this matter and who feel keenly about what is happening, that I was able to understand the full extent of the egregious errors for which the hon. member for Laurier is primarily responsible. That, Mr. Chairman, is the straightforward reason. Although I am one of the new members of this house I will stand up before my hon. friend who is 20 years my senior in all respects, and will debate with him this issue, the integrity of parliamentary control of capital expenditure. That is where I fear that my hon. friend has fallen down. I only say to him as I conclude that if the member for Carleton had known these facts earlier he would have shared them with the House of Commons, as he has done today.

Mr. Pearson: Mr. Chairman, the committee will have an opportunity to ponder over, analyse and judge the words of the hon. member who has just taken his seat—the new member of the house, as he himself confessed—and the words he used this afternoon. I do not propose to enter into that part of the discussion at all.

However, I should like to ask the Minister of Transport—who should, I think, be taking a little bit more active part in this discussion as the minister responsible now—just two or three simple questions. The first question is this. Does the minister agree with the very serious charge which was levelled at my friend the hon. member for Laurier a few moments ago by the hon. member for Carleton, namely that he was guilty of making illegal expenditures while he was head of the St. Lawrence seaway authority, expenditures beyond the authorization given by parliament?

Mr. Bell (Carleton): That statement was never made. The word "illegal" was never used at any time.

Mr. Pearson: Mr. Chairman, I will put the question in a different way in order to satisfy my friend the hon. member for Carleton. Does the Minister of Transport agree that the hon. member for Laurier when president of the St. Lawrence seaway authority made or sanctioned expenditures beyond those authorized to the authority by parliament? That was the charge that was made and it was an extremely serious one indeed. That is the first question.

Mr. Hees: Would you like me to answer it?

Mr. Pearson: No, not yet; I will give you three questions. The second question is this. I know that the hon. member for Carleton was a new member and did not wish to enter into an examination of these matters earlier. But was the Minister of Transport aware, when he was in the opposition, of the detailed budgets presented annually as explained by my hon. friend a few moments ago, which gave the details with regard to expenditures on the Welland canal as they occurred? Was the minister aware of those expenditures at that time and when those matters were before parliament did he object to those expenditures or did any other member on the other side of the house object to them at that time in any way, shape or form or has the objection been discovered by the hon. member for Carleton this afternoon? Then the third question is this. Does the minister agree with the charge of the hon. member for Carleton that the increased expenditures on the Welland canal have no justification? Does he agree that this amount which is now being expended had been wasted, and does he agree that there was no reason why this project should have been changed to bring about this extra expenditure? Perhaps he will answer those three questions.

Mr. Hees: I will be very glad to, Mr. Chairman. First of all, as the hon. member for Carleton has explained and pointed out to the hon. Leader of the Opposition, he did not say, as he just now said, that the hon. member for Laurier, when he was either seaway president or minister of transport, authorized any illegal payments.

Mr. Pearson: I did not use the word "illegal".

Mr. Hees: He did not say that, and I do not for a moment think the hon. member for Laurier did authorize any illegal payments. I think the payments he authorized were ones which were passed by the seaway authority and authorized by parliament.

Mr. Pearson: That is not what he said.

Mr. Hees: Of course, anybody who is familiar with these matters knows that that is the only way expenditures can be made by the St. Lawrence seaway authority. Second, the Leader of the Opposition asked me if I was aware, while a member of the opposition, of the Welland canal expenditures. The answer is no, I did not, for a very good reason, which is this. When we were in the opposition, like the hon. members at the present time, we were few in number and we split up the responsibilities, and at that particular time transport was not one of the departments with which I concerned myself. I concerned myself with about seven or eight, but transport was not one of them. The hon. member for Vancouver Quadra and other members were specialists in transport. I tried to do my job in other fields, and that is the straight answer to that.

With regard to expenditures on the Welland canal, and the question whether they were or were not justified, I will answer that in this way. There can be no question in the mind of the hon. member for Laurier—he agreed very clearly this afternoon, as I think we would all agree—that for one reason or another there was sloppy estimating on the part of the Department of Transport and whoever was concerned at that time. I do not think the hon. member for Laurier would disagree with that statement; as I said, he said so himself this afternoon. There was a serious miscalculation, and I think he would agree that it is obvious there was a miscalculation. There is no question about it: the facts are there. However, to bring the Welland canal to the specifications which are necessary to make it a successful operating part of the St. Lawrence seaway, I believe that the expenditures which have now been authorized and have been made, and are being made, are necessary.

Mr. Pearson: Mr. Chairman, I would like to thank the hon. minister for his very fair and frank answers.

The Chairman: Shall the resolution carry?

Mr. Hees: Mr. Chairman, before the resolution passes could I answer a question asked me this afternoon by the hon. member for Welland? He asked me if the present announced estimated expenditure of $335 million would have any effect on seaway tolls. My answer to him is simply that the provisional toll structure which I announced last June was based on a total cost approximating the present estimated cost.

Mr. Argue: Mr. Chairman, I do not wish to enter into the controversy which has been raging here today, but in light of the accusations that have been hurled from the government side of the house toward the hon. member for Laurier, and in light of the very large expenditure which may yet have to be made, I wonder if the Minister of Transport would answer the question put to him by the hon. member for Vancouver East as to whether this whole question will be referred at this session to the public accounts committee for thorough examination, in the interests of the taxpayers of Canada?

Mr. Hees: Mr. Chairman, that question is very easy to answer. As the hon. member knows, having been a member of this house for quite some time, the matters which are brought before the public accounts committee are decided by the members of the public accounts committee.

Mr. Argue: Mr. Chairman, can I take it from the minister's answer that the government has no objection to having a thorough inquiry into the whole question of seaway expenditures by the public accounts committee? Before the hon. minister answers my question, what he said is technically correct. He has been here long enough to know what the rest of us know, that the committees of this house usually examine those things which the government wish them to examine.

Mr. Hees: I do not know how the hon. member and his followers would run things, if they ever happened to form a government, if they were to dictate to committees what they were to examine and study and what they were not. I assume that if the hon. member and his party ever did form a government they would tell the committees what they are to do and what they are not to do. That is not our idea of how to run the business of this house.

I would say to the hon. member that the hon. member for Vancouver East very kindly complimented me and my department and the seaway authority on the rapidity with which we have answered order paper questions, a great many of which have been placed on the order paper this session. There have been some very lengthy and complicated questions, and we have answered them very rapidly, and he was very kind to say that he appreciated it. That is an example of our attitude toward this whole matter. If there is any question which any member of this house wants to ask about any of the dealings, past or present, that have been carried out by the St. Lawrence seaway authority, all he has to do is place a question on the order paper and that question will be answered quickly and to the best of our ability. I have answered every question which has been put to me this afternoon in a free and wide open debate. I will try at all times to answer questions which are put to me. We have nothing to hide whatsoever regarding the operations of the St. Lawrence seaway. If the hon. member knows of some nefarious dealings, if he knows of some crookedness, if he knows of some skulduggery going on behind the scenes, I would appreciate it if he would bring it immediately to my attention and I will have it investigated. If the wants to make a speech about it I will welcome it. As I say, we have nothing to hide. The operations of the St. Lawrence seaway authority are open to inspection by him or any other member of this house.

Mr. Argue: Mr. Chairman, the statement of the hon. minister that questions can be

placed on the order paper and answers will be given is scarcely a reply to the suggestion that there should be a full inquiry by a committee of this house. If that was the general attitude of the government, then of course that is what could have been done with the printing bureau last year. As far as the government referring things to committees of this house is concerned, it is a very common practice for reports to be referred to committees of this house. It has been the practice for many years for the Minister of Trade and Commerce to refer to the agricultural committee the annual report of the Canadian wheat board. It is just as desirable, in fact it is more than desirable, that the whole question of the reports and the conduct of the seaway authority, particularly in light of the accusations made by members on the government side of the house, should be referred at this session to the public accounts committee.

Mr. Hees: Mr. Chairman, I will simply answer once again that if the public accounts committee should decide they would like to examine the St. Lawrence seaway authority they will receive every co-operation from me as the minister responsible.

Mr. Pickersgill: Mr. Chairman, before the resolution passes there is one question I would like to ask the minister. I was absent most of the day and if it was asked in my absence and answered I apologize to the minister. The minister has been responsible for the St. Lawrence seaway authority for pretty close to 20 months now, which is the best part of two years; for some of us, two rather long years. I have just one simple question to ask, and it is this. After the hon. minister's period of association with the seaway authority is he satisfied in his own mind, before we give authority to borrow this huge additional sum, with the efficiency of the seaway authority?

Mr. Hees: Yes, Mr. Chairman.

Resolution reported and concurred in.

Mr. Hees thereupon moved for leave to introduce Bill C-25 to amend the St. Lawrence Seaway Authority Act.

Motion agreed to and bill read the first time.

NORTHWEST TERRITORIES ACT

AMENDMENT TO PROVIDE APPOINTMENT OF JUDICIAL AND ADMINISTRATIVE OFFICERS, ETC.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources) moved that the house go into committee to consider the following resolutions:

Northwest Territories Act

That it is expedient to introduce a measure to amend the Northwest Territories Act to provide for the appointment by the governor in council of judicial as well as of administrative officers; and to provide further for certain changes in connection with the administration of the act.

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

Some hon. Members: Explain.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, the resolution before the committee at this time is very similar to the resolution put forward last session dealing with the Yukon Act. In this particular resolution we are taking the first steps to amend the Northwest Territories Act in line with our policy of moving step by step to keep the judicial system in the Northwest Territories moving forward to meet the changing conditions in the north. This is particularly true with regard to the progress being made toward the more and more democratic carrying out of local government activities in the territories.

This particular series of amendments—there are five in all—deals mainly with administrative matters. There is one which deals with the appointment of legislative administrative and judicial officials, as was the case in the amendment to the Yukon Act last year. The balance of the amendments may seem to be very minor in character but, as hon. members know, such matters often mean a great deal to the councillors in the north and to the people of the territory. Of the five amendments two deal with the meetings of the council and the change in the stature of tenure of members of the council. One deals with judicial offices, another with the importation of liquor and the fifth with archeological sites. I believe that is sufficient to explain the purpose of the resolution before the committee tonight.

Mr. Hardie: Mr. Chairman, I do not believe we know much more now than we did a few moments ago before the minister rose to explain this resolution. Nevertheless I would say that we on this side of the house naturally welcome any changes in the act which would provide more effectively for the welfare of the people of the north. The minister said something was going to be done with regard to meetings of the council and I suppose—or at least I hope—that the amendments will cover the possibility of holding by-elections in the Northwest Territories in the event that a member of the council should die while in office or resign for some other reason. If this is the case, I wish to commend the minister for having taken a step forward. As hon. members of the committee know, I was one of the first elected representatives to sit on the Northwest Territories council and

after I came here in 1953 I made representations in this house asking that provision be made for by-elections to be held to fill vacancies such as the one I had created by my resignation. At that time the well-meaning officials of the Department of Northern Affairs and National Resources contended that it was very difficult to hold by-elections in the Northwest Territories during the winter, but if there was one thing proven by the election of last March it was that elections can be held successfully in the north in the winter time.

Since there are to be some changes in the judicial portion of the act I should like to deal with the section of the act which concerns the set-up of the territorial court of the Northwest Territories. At the present time this court consists of a judge, one magistrate in Yellowknife and justices of the peace resident in various communities of the north. I am not a lawyer and if I am wrong I hope the minister will correct me in what I have now to say. We find in the act sections dealing with the concurrent civil jurisdiction of provincial courts. The interpretation I place upon these sections may be different from the minister's own interpretation, but I should like to read section 29 concerning this concurrent civil jurisdiction:

29(1) Any superior court in the provinces of Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland may, within the province in which its ordinary jurisdiction is exercised, exercise, in civil matters respecting persons and property in the territories east of the 102nd meridian of west longitude—

That is the meridian which follows the provincial boundaries between Saskatchewan and Manitoba to the Arctic. West of that is the MacKenzie district and to the east Keewatin. The section continues:

—and actions, suits or proceedings affecting them, the like jurisdiction that such court has in civil matters respecting persons and property within the territorial limits of its ordinary jurisdiction and actions, suits or proceedings affecting them.

(2) Any court having surrogate powers in a province of Canada may, within the province in which its ordinary jurisdiction is exercised, exercise, respecting the granting or revoking of probate of wills and letters of administration of the property of deceased persons in the territories and all matters arising out of or connected therewith, the like jurisdiction that such court has respecting the granting or revoking or probate and letters of administration of the property of deceased persons within the territorial limits of its ordinary jurisdiction and all matters arising out of or connected therewith.

Section 30 deals with practice and procedure and service outside the jurisdiction.

As I interpret those sections, an action can be proceeded with in any one of the provinces of Canada from Alberta through to Newfoundland with regard to persons or the assets of persons resident in the Northwest Territories. These courts have jurisdiction over the territorial courts. If I am correct in my interpretation of what might be desirable, I feel that before a court in any one of the provinces of Canada can proceed with an action, the court of the province should make application to the territorial courts. Of course, if the territorial courts have given consent to having the case heard in the province it should proceed in that manner. Under the existing legislation the provincial courts have primary jurisdiction and the territorial courts have no jurisdiction.

With respect to civil jurisdiction I notice that section 31 of the Northwest Territories Act leaves appeals in the hands of the provincial courts. I refer, of course, to appeals from any actions started in a province such as New Brunswick. With respect to the portions of this act that refer to the judiciary I believe the minister should follow up the democratic tendency he has established and increase the jurisdiction of the territorial courts giving them more autonomy and independence.

I also observe that under the act as it presently stands all appeals from the territorial courts are sent to the courts of the provinces extending from Alberta to Newfoundland. I feel that these cases should be dealt with by a court that understands the conditions that exist in the territories. I feel that a provincial court would not be competent to give reasonable treatment to a case appealed to it from the territories and that an appeal court for the northwest territories and the Yukon should be established. The membership of this court could comprise the judge of the Yukon and the judge of the territorial court together with deputy judges who could be chosen from among the magistrates in those areas. If that were not feasible an additional judge could be appointed in both the Yukon and the Northwest Territories. The Yukon Act provides for the appointment of another judge. I do not think my friend the hon. member for the Yukon would disagree with this. I do not expect he would turn down an appointment to this high office. We could have two judges in the Yukon and two in the Northwest Territories who could serve on our appeal court.

Mr. Nielsen: You do not get rid of me that easily.

Mr. Hardie: As my hon. friend knows I am not a lawyer and it is very difficult for me to explain my position clearly.

I wish to return to the subject of what is happening in the territories at this time. We have one magistrate in Yellowknife whose

jurisdiction covers an area of approximately one million square miles. The justices of the peace in various outposts deal with many cases I do not feel they are really qualified to handle. I suggest that we increase the number of magistrates in the territories. Instead of having just one located in Yellowknife whose jurisdiction covers the vast area I mentioned I suggest we should have one at Inuvik whose jurisdiction would cover an area extending from Tuktoyaktuk south along the Mackenzie to Fort Norman, then east across to Franklin on Great Bear lake and then east again to Radium and north to Coppermine and west back along the coast to Tuktoyaktuk. Another magistrate could be appointed for the Frobisher Bay area whose jurisdiction would embrace the Arctic and Hudson bay judicial districts. The three magistrates could make periodic trips around the area to try their cases. If there were not sufficient work for them to do they could also act as clerks of the court, process issuers, sheriffs and even public administrators. These magistrates could perhaps be made deputy judges to serve on the territorial court of appeal which I suggest should be established.

I am fully in agreement with the present provision in the act which requires that a magistrate be resident in the area. Anyone serving on a territorial court should be a resident and know the conditions in that part of the country. An Eskimo may commit an act which in this part of the country would seem to be criminal and extremely serious but a person living in the territories and knowing the philosophy and the way of life and thinking of an Eskimo would view it in a different light.

I again commend the minister on what is being done in terms of increasing the autonomy of the Northwest Territories and providing a more independent and democratic way of handling its affairs both politically and judicially. I urge him to give serious consideration to the suggestions I have made with respect to the establishment of a territorial appeal court and increasing generally the independence and autonomy of the territorial courts.

I do not know if at this stage of the proceedings I would be in order if I were to deal with the administrative aspects of the department so I shall refrain from doing so. If it is possible to do so on second reading of the bill I shall then deal with these questions.

Mr. Herridge: Mr. Chairman, I wish to say a few words at this time simply to express the support of this group for the principle of this resolution because it appears to be representative of another forward step in the evolution of democratic procedures in the administration of the Northwest Territories.

Before going on I would like to say that I always listen with great interest to the man whom we are pleased to call the advocate of the Arctic, namely the hon. member for Mackenzie River. He shows good knowledge of the circumstances of the people whom he represents and on occasions, as hon. members will realize, he presents his case in rather colourful language and in colourful actions.

However, we will wait for the bill to see the details before we say anything further. I would like to ask the minister one or two questions. Are these proposed amendments the result of recommendations from organizations or individuals from the Northwest Territories. If so, how long have those organizations and individuals been urging the amendments which are proposed in this resolution?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I am sorry the hon. member for Mackenzie River has walked out because I would like to say a word or two in answer to what he just said. I will answer the hon. member for Kootenay West first.

As regards those amendments, I said in my opening remarks they were very close to the amendments to the Yukon Act of last year and even though they may seem minor to some of us here, to the people in the north and to the council they are something of a major achievement. Who makes those representations? Usually they come from the council of the Northwest Territories or the Yukon. We try to act on them as quickly as we can, and I think that is the attitude on nearly everything in those amendments at the present time.

The hon. member for Mackenzie River is having just as difficult a time describing the system of justice in the north as I would if I had to describe it. For his peace of mind I will tell him that arrangements have been made, owing to representations made during this last year to me, to have an examination into the judicial system in the north, not with the idea of revolutionary changes but just looking at it from a practical point of view, as the hon. member suggests, and also keeping in mind the long range transition program of moving step by step to greater autonomy in the political, administrative and judicial fields. I believe the Minister of Justice and one other will be meeting with people from the north and dealing with this matter this summer and I think I can reassure the hon. member that this is in our minds. It may seem to some in the committee that we are going rather slowly in this matter but on the question of justice the people in the north cannot help us too

much because they have not had the experience of myself and the hon. member for Mackenzie River of how this is handled in other places. Therefore, we have to move perhaps a little slower than they are asking for, but an examination of the matter is going on at the present time. As the hon. member will appreciate, it will not move with great rapidity because one does not go up there today and come back tomorrow. One has to wait for the occasion. I hope these remarks will put the hon. member for Mackenzie River at ease.

Mr. Hardie: I thank the minister for his statement. I am sure we all know that he has the good will of the people of the country. Certainly, he is trying to do something to provide those steps toward greater autonomy and I want to thank him for his reassurance.

Mr. Godin: I rise to speak for a few moments on this resolution. I do so now because if we do not make proper suggestions at this stage we find that when the government presents a bill it is usually prepared to adopt it in the form in which it is presented. As I listened to the remarks made by the Minister of Northern Affairs and National Resources I had the fear that possibly the bill which will follow this resolution will not contain proper amendments which undoubtedly should be made to the Northwest Territories Act. The minister indicated that there will be problems in the new procedure for the appointment of judicial officers. Therefore, I fear it may take away certain provisions which definitely should remain in the act. If I do speak now and if I have read the act to some extent it was for the purpose of trying to assist the house in these matters, since we know that in the house we have only one worthy representative of the territory, namely the hon. member for Mackenzie River.

No doubt the general purpose of the amendments is to bring about greater autonomy in the administration of justice in that great territory. I should like to refer to one problem which was not mentioned by the minister in the explanation which he gave of the proposed amendments to the Northwest Territories Act. It is a problem which was discussed to some extent by the hon. member for Mackenzie River. I refer to the concurrent jurisdiction which is permitted in civil and criminal matters in the Northwest Territories.

Perhaps I should explain for the enlightenment of hon. members that the procedure in the Northwest Territories, contrary to the laws laid down in the provinces permits trials to be held outside of the Northwest Territories in any province of Canada east of the Saskatchewan west border, namely the 102nd parallel of longitude. This means that a legal problem of a fishing company having to do with something which took place in Chesterfield Inlet on the west boundary of Hudson bay could be tried in Newfoundland if the company came from Newfoundland. As the act reads now, a judge in Newfoundland would decide whether the action should be tried in Newfoundland. The judge in Newfoundland would decide upon the applicant in Newfoundland presenting certain evidence of merit as to why the trial should be held there. Of course, as explained by the hon. member for Mackenzie River, there is no doubt that a judge in the Northwest Territories could possibly much better ascertain the merits of the demand for the trial to be held in Newfoundland. Therefore, I respectfully submit to the minister that an amendment should permit a decision to be made on the merits of the case presented by such an applicant, not by a judge of a court in Newfoundland, Ontario, Quebec or Manitoba but by a judge of the Northwest Territories, who would have before him an affidavit of the merits of the trial to be held in Ontario or in any of those other provinces. The same thing would apply necessarily to cases west of the 102nd parallel of longitude which under the act can also be tried concurrently in the province of Alberta. This would, I believe, enable the judge of the Northwest Territories more properly to decide if the merits of the case presented were such that the case should be heard outside. I believe this is the very thing that the minister wishes to do by his amendments, namely bring about more autonomy to the Northwest Territories.

I have indicated that these are the problems which may be involved in granting this concurrent jurisdiction which, no doubt, there are good reasons for. Then there is a second matter. The minister has suggested that the purpose of the bill will be to enlarge the possibilities of appointing more judicial officers. If that is to be done I trust that section 32 (1) will be retained in the act. In order to enlighten hon. members, I will read the section. It reads as follows:

> The governor in council may appoint one or more persons who are barristers or advocates of at least three years standing at the bar of any of the provinces of Canada to be police magistrates in and for the territories and may fix their salaries and allowances.

There is no doubt that possibly in an effort to make provision for further appointments this clause may be amended. I must tell

hon. members that such a proper provision is not found in many of the statutes of the provinces of Canada. In Ontario, for instance, such a provision is not made, and I know very well that many people in my riding are disappointed because provision with regard to the knowledge of the person to be appointed is not made. At times we have seen hotel operators appointed as magistrates in Ontario. I would respectfully submit to the minister that this provision regarding appointments should definitely be kept in the act.

I am also pleased to know that the purpose of the minister in bringing in these amendments is to help the people living in this remote part of Canada to obtain a more autonomous type of judicial operations.

Resolution reported and concurred in.

Mr. Hamilton (Qu'Appelle) thereupon moved for leave to introduce Bill C-26, to amend the Northwest Territories Act.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE ACT

AMENDMENTS RESPECTING COURT MARTIAL APPEAL BOARD, ETC.

Hon. G. R. Pearkes (Minister of National Defence) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the National Defence Act by providing for the court martial appeal board to be reconstituted as a superior court of record, to authorize the payment of travelling allowances to its members and to provide also for the appointment of, and the payment of fees to and the travelling expenses of military advisers to the court; and to provide further for certain changes in connection with the administration of the act.

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

Mr. Hellyer: Does the minister have an explanation?

Mr. Pearkes: Mr. Chairman, the bill that will be introduced if the resolution is adopted will be a relatively short one dealing with several unrelated matters. The first matter to be dealt with in the proposed bill is an amendment to the National Defence Act to facilitate the integration or unification of certain of the operations of the Canadian forces. It is the view of the government that this integration or unification, where practical, would result in both economy and efficiency of operation. As you know, in recent months steps have been taken to integrate the medical and chaplain services. The possibility of integration of other operations is under careful study.

The second subject dealt with in the bill is the question of rules of evidence at trials by court martial. A codification of the Canadian law of evidence applicable to courts martial has been prepared and authority will be sought to introduce this code.

The next subject is a proposal to introduce additional safeguards on the imposition of the penalty of death by courts martial. These safeguards wil be similar to those in effect under civil law.

Perhaps the most important provision of the bill is the proposed amendment to replace the court martial appeal board by court martial appeal courts. If the proposal is adopted members of the services will have the right to have their appeals heard by a tribunal comparable to the provincial courts of appeal which hear appeals of persons convicted under the Criminal Code. Furthermore, the right of appeal to the Supreme Court of Canada would be enlarged so that service offenders would have the same right of appeal to that court as persons convicted in the criminal courts whose appeals have been disallowed by provincial courts appeal. The crown would be given the same right of appeal to the Supreme Court of Canada as it has in ordinary criminal cases.

The bill would also change the French version of the name of the Royal Canadian Air Force.

These amendments, Mr. Chairman, are designed to provide for a more equitable application of service discipline and to improve the administration of the Canadian forces. I therefore recommend the resolution to the committee for its favourable consideration.

Mr. Hellyer: Mr. Chairman, it is now ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: I have great pleasure in welcoming the Minister of Public Works back to the house and I tell him that, notwithstanding the fact that the Minister of Trade and Commerce has done a very creditable job in his absence we are delighted to see him return. Perhaps he will tell us what the business is for tomorrow and also for next week while he is on his feet.

Mr. Green: I thank the hon. member for Laurier for his very kind remarks. I must say that I was a little reluctant to leave the sunshine and the crocuses on the west coast. However, it is very nice to be back with so many friends.

Tomorrow we shall start with the resolution which was under debate at ten o'clock.

Then we will take item No. 6 on today's order paper, the resolution concerning the National Housing Act; then item No. 3, the resolution concerning the Trans-Canada Highway Act; then item No. 2, the resolution having to do with the Fisheries Improvement Loans Act; then item No. 7 on today's order paper, the resolution concerning the Federal-Provincial Tax-Sharing Arrangements Act; and then item No. 9, the resolution preceding a measure to provide for the appointment of parliamentary secretaries to ministers. Monday will be private members' day. I am afraid I cannot give any further information about next week at the moment. We may be able to arrange for an external affairs debate.

It being three minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

TAX RENTAL AGREEMENT PAYMENTS

Question No. 82—**Mr. Argue:**

1. What was the amount of the payment to be made to each province under the tax rental agreement as estimated by the federal government in January, 1958?
2. What is the federal government's estimated payment to each province to be as of the present?
3. What is the difference in these two estimates for each province?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. On January 27, 1958 there was tabled in the house an illustrative table of the effect on the then current payments to the provinces of the increase in the standard individual income tax rate. This table was based on the latest estimates available for 1957-58 individual income tax collections, 1957 corporation profits, and the average of succession duties 1955-56 to 1957-58. It did not purport to be an estimate of payments for the 1958-59 fiscal year.

The illustrative table indicated that the provinces would have received the following payments in 1957-58 if the standard individual income tax rate had been 13 per cent and Atlantic provinces adjustment grants had been made:

(In thousands of dollars)

Newfoundland	$ 25,214
Prince Edward Island	6,636
Nova Scotia	36,691
New Brunswick	30,990
Quebec	197,861
Ontario	238,326
Manitoba	35,755
Saskatchewan	36,552
Alberta	48,231
British Columbia	61,825

2. The estimated benefits to the provinces under the Federal-Provincial Tax-Sharing Arrangements Act (including the Atlantic provinces adjustment grant) for the fiscal year 1958-59 were as of February, 1959:

(In thousands of dollars)

Newfoundland	$ 24,213
Prince Edward Island	6,719
Nova Scotia	34,595
New Brunswick	29,518
Quebec	186,390
Ontario	227,850
Manitoba	33,202
Saskatchewan	33,885
Alberta	45,836
British Columbia	64,090

Questions

3. The above two sets of figures are not strictly comparable as the same standard tax rates are applied to different base years. The former indicates what the provinces might have received if the increased standard individual income tax rate and the Atlantic provinces adjustment grants had applied to the fiscal year 1957-58, and the latter indicates what the provinces are now eligible to receive under the same formula in the 1958-59 fiscal year.

FERRY SERVICE, PORTUGAL COVE-BELL ISLAND NEWFOUNDLAND

Question No. 126—**Mr. Argue:**

1. Has the contract for the construction of a ferry to operate between Portugal Cove and Bell island, Newfoundland, provided for the 1958-59 estimates, been yet offered for tender?
2. If so, on what date?
3. Has the contract been awarded?
4. If so, (a) to what company and on what date; (b) what was the amount of its tender?
5. What other companies tendered for this contract, and what was the amount of each tender?
6. Is the vessel now under construction?
7. If not, when is construction to commence?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1 and 2. Tenders were invited, the closing date being January 22, 1959.

3. No.

4. Answered by 3.

5. Tenders received and amounts shown hereunder:

Ferguson Industries Ltd., Pictou, N.S.

$1,041,586.00
1,098,839.00
1,081,832.00
1,122,290.00
1,113,578.00

Halifax shipyards

$1,104,078.00
1,106,837.00
1,116,148.00
1,180,728.00
1,072,354.00

Saint John Dry Dock Co. Ltd., Saint John, N.B.

$1,266,660.00
1,272,208.00
1,279,526.00
1,328,350.00
1,332,811.00

6. No.

7. As soon as the contract is awarded.

END OF VOLUME I